Hawaiian Electric Industries, Inc.

Financial Community Meetings

July 2020

HEI

Catalyst for a better Hawai'i



HEI overview

Hawaii's largest corporation with a diversified platform supplying energy, providing financial services to Hawaii communities and investing in a sustainable future

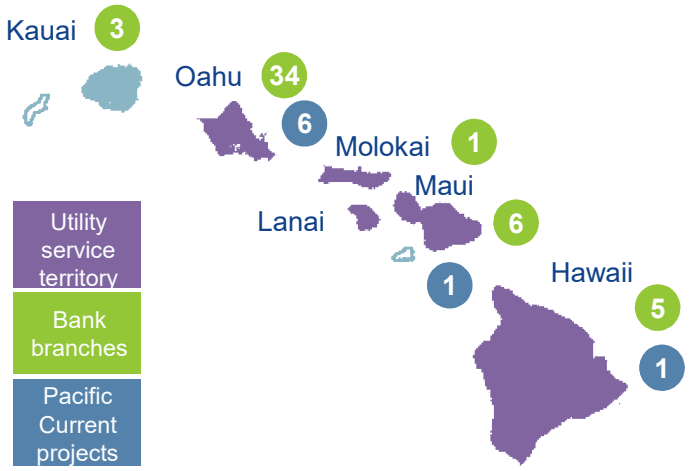
HEI

Catalyst for a better Hawai'i

Hawaiian Electric

AMERICAN Savings Bank

PACIFIC CURRENT



$4.0B Market capitalization[1]	**3.6%** Dividend yield[1]	**11%** 5-year total return (CAGR%) for period ending 12/31/19[2]	**64% (Utility)** **36% (Bank)** Subsidiary contributions to net income[3]	**3,845** Full time employees (Including 2,670 utility employees and 1,126 bank employees)	**Hawaii-focused** Serving the full state

Data above as of 12/31/2019 unless otherwise indicated.

1 Market capitalization and dividend yield are based on the closing price of $36.44 on 7/10/2020.

2 5-year period includes premium from proposed merger with NextEra Energy, which was announced on 12/4/15.

3 Based on LTM 3/31/2020 earnings to common shareholders and excludes other companies' net loss.

ESG is in our DNA, and our core strategies

Strength of our companies is inextricably linked to the health of our environment, economy and communities

Embedded in Core Strategies

Hawaiian Electric	Focused on achieving state's 100% renewable energy and carbon neutrality goals in a way that is safe, reliable, resilient and affordable for customers
AMERICAN Savings Bank	Investing in Hawaii's economic growth; fostering innovation and entrepreneurship to diversify and expand state economy
PACIFIC CURRENT	Mission to advance Hawaii's sustainability goals through investment in clean energy, water, wastewater and agriculture

Deepening ESG Integration

Integrating ESG even further into our governance structures, decision-making processes and reporting

- ✓ Conducted ESG materiality assessment for all companies within enterprise
- ✓ Board strategic retreat to oversee development of ESG assessment and strategy
- ✓ Formalizing ESG integration into risk management and strategic planning
- ✓ Developing first SASB report for publication in 2020

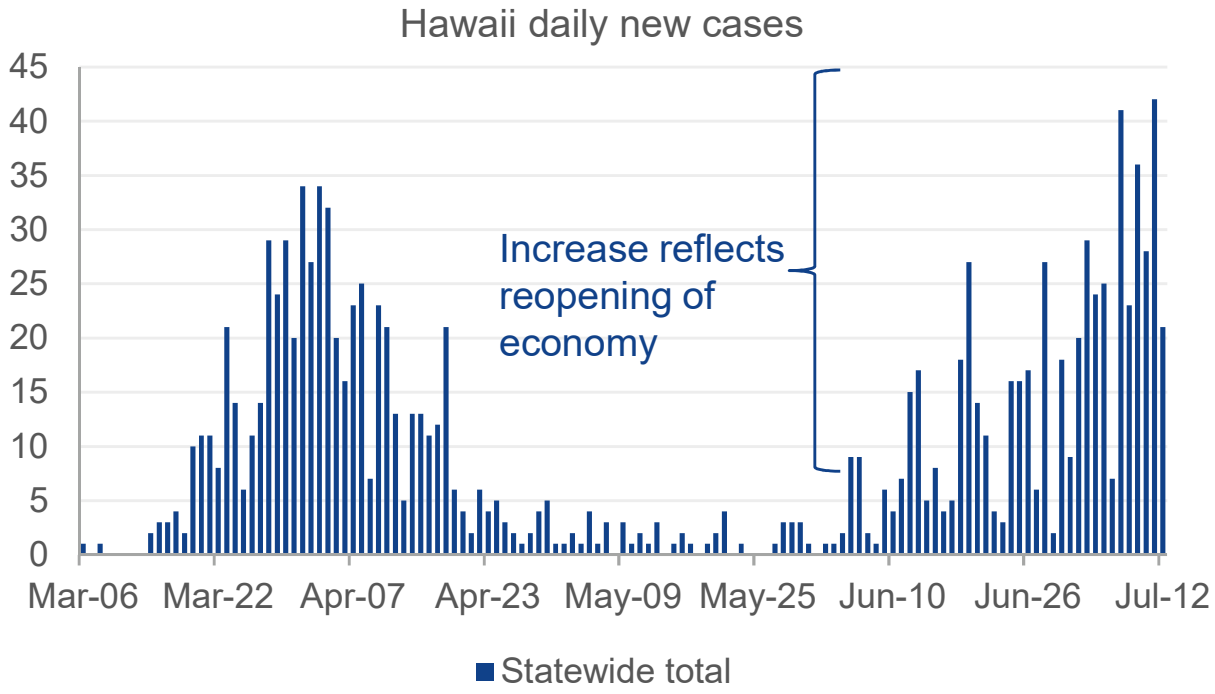
New cases increasing but remain manageable as economy reopens

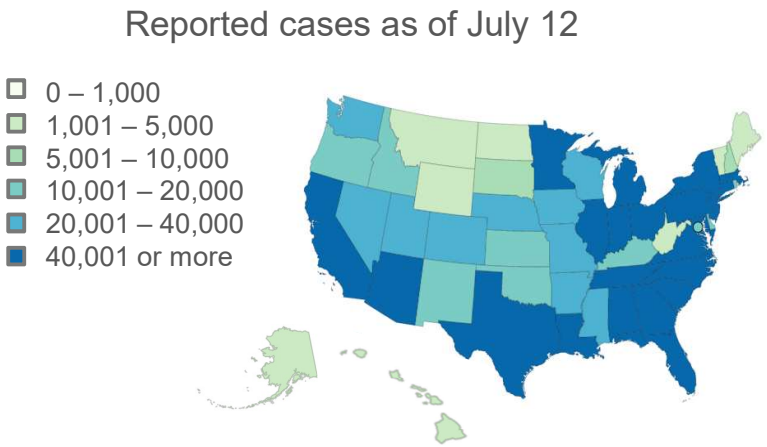
Low cases and transmission rate

- Total cases as of 7/12 = 1220, less than 1/10th of 1% of population
- 1.3% positivity rate from COVID-19 testing

Hospital resources able to serve increase in new cases:

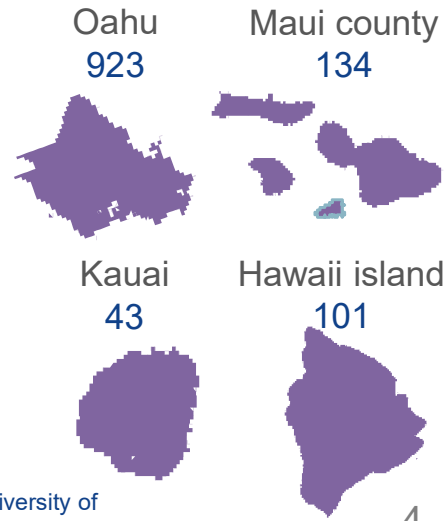
- As of 7/6:
  - 49% of ICU beds in use
  - 12% of ventilators in use





Honolulu has contained COVID-19 better than other cities of similar density (as of 7/12)

City, state	2020 pop. density	Cases
Honolulu, HI	2,187	1,220
Sacramento, CA	2,061	3,454
Syracuse, NY	2,175	1,690
Hollywood, FL	2,240	6,063
San Jose, CA	2,245	4,094
Buffalo, NY	2,441	3,414



Sources: Centers for Disease Control and Prevention, Hawaii State Dept. of Health, U.S. Census, Vox, World Population Review, John Hopkins University of Medicine, Arcgis, Santa Clara County Dept. of Health.
Note: Hawaii COVID-19 island-by-island totals may not equal the statewide daily count because of Hawaii State Dept. of Health "data cleaning".

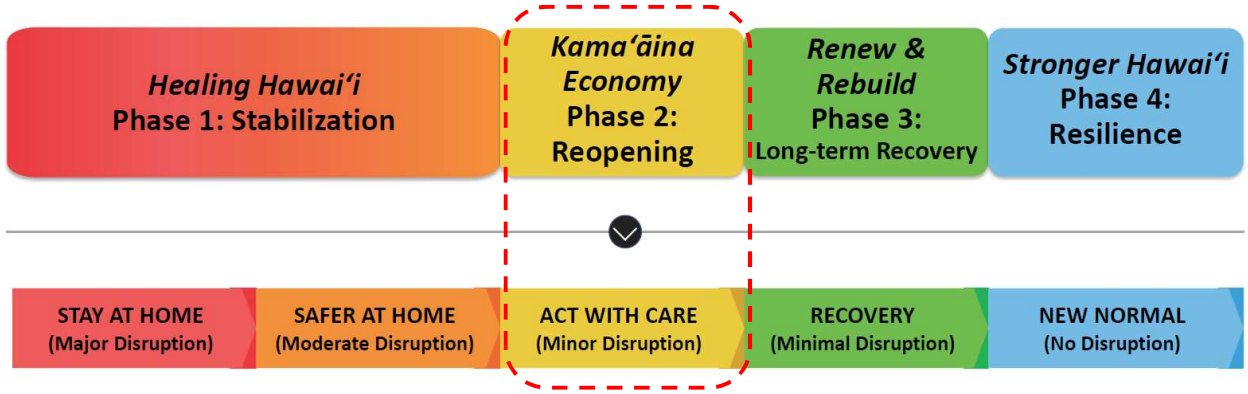
Economic reopening progressing

- Much of local economy has reopened, including dine-in at restaurants, personal care businesses
- Pace of tourism recovery to be determined by local reopening policies, health metrics and capacity, traveler confidence, U.S. and global economic recovery
  - 14-day quarantine for air travel:
    - Interisland – ended 6/16
    - Transpacific – proposed to reopen 8/1
  - 2,296 people arrived in Hawaii on 7/11, compared to 1,750 and 1,031 on 6/30 and 5/29, respectively

Hawaii Economic Research Organization (UHERO) baseline forecast

(% change)	2020	2021	2022
GDP	-11.1	6.1	3.2
Total visitors arrivals by air	-59.6	60.7	19.4
Unemployment rate (%)	18.2	9.3	5.8

State Recovery & Resilience Roadmap



At least 14 days of observation before moving to the next level

Sources: State of Hawaii, Beyond Recovery: Reopening Hawaii, 5/18/20. UHERO, Battered by COVID-19, Hawaii Begins to Reopen, 5/28/20, State of Hawaii Department of Health.

HEI is well positioned to weather COVID-19 impacts

- Consolidated enterprise comprised of stable operating subsidiaries in essential industries
- Robust liquidity position enterprise-wide, with recent enhancements to strengthen liquidity at utility and holding company
- No need for holding company to inject capital at bank
- Our financial strength enables us to help our customers and community through challenging period
- Focused on protecting our employees, assisting our customers and supporting our community
- Uninterrupted dividends through every business cycle since 1901, including through 2008 – 09 Great Recession
- Dedicated and experienced management team

Hawaiian Electric—A source of strength as Hawaii recovers

CONSISTENTLY POWERING OUR STATE FOR 125 YEARS

Hawaiian Electric

Although impacted by COVID-19, utility is well-positioned to serve as a source of strength, supporting Hawaii's recovery



✓ Fully decoupled, with earnings insulated from load decline impacts

✓ Good recovery mechanisms

✓ Regulatory progress continues

- Deferral of COVID-19 related costs approved
- Moving toward performance-based regulation
- Stage 2 renewable RFP process advancing

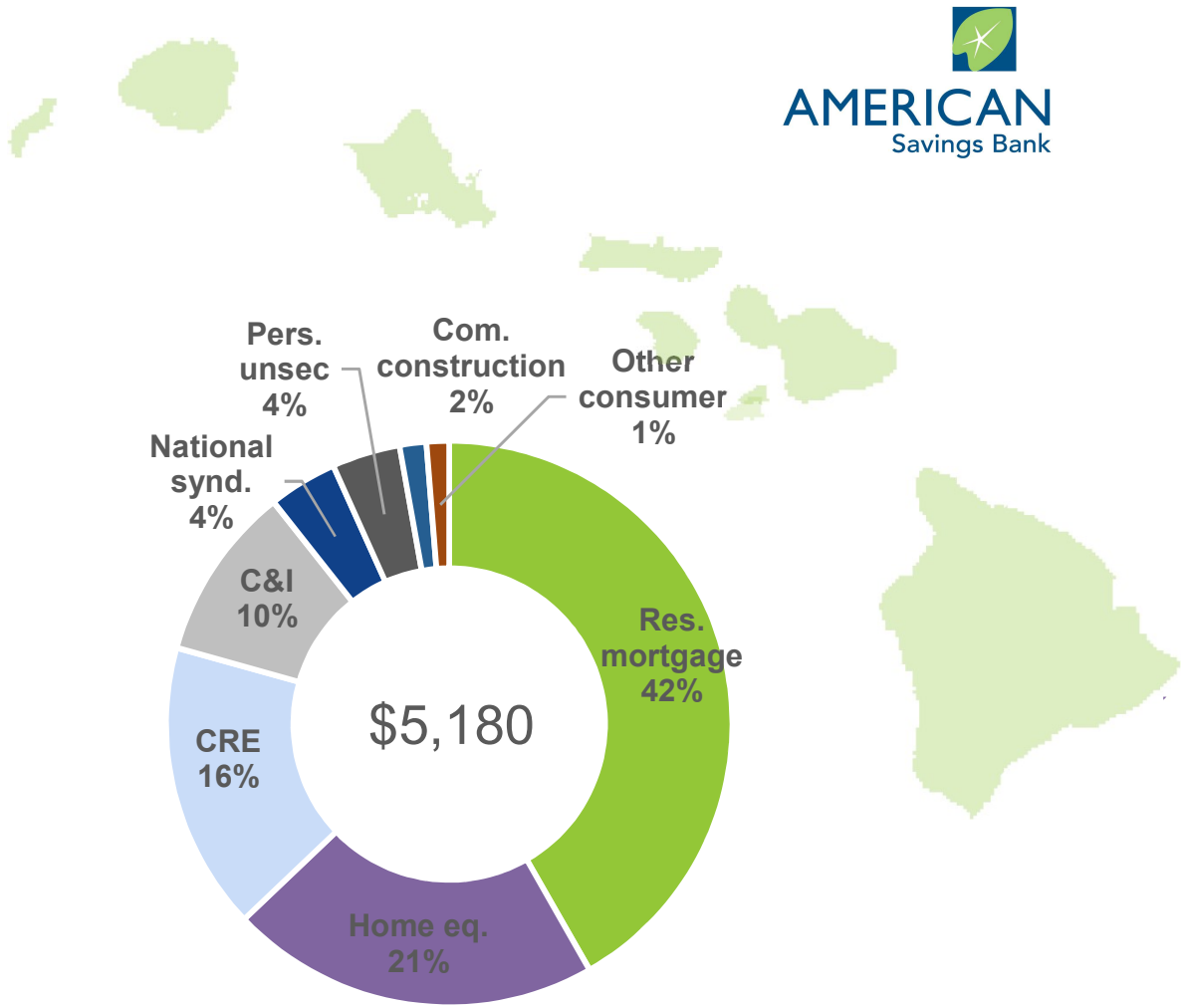
✓ Leader in clean energy, addressing aggressive climate goals

American Savings Bank—Conservatively managed bank with strong financial position

SERVING HAWAII THROUGH 95 YEARS OF ECONOMIC CYCLES

Prudent lending and risk management practices

- ✓ Earning assets 100% funded by low-cost deposits drive track record of above-peer NIM
- ✓ Loan portfolio predominantly secured by stable Hawaii real estate (~80%)
- ✓ Relatively stable Oahu home values fueled consistent performance through Great Recession
- ✓ Capital ratios comfortably above "Well Capitalized" levels, with ample liquidity available from FHLB
- ✓ Modest exposure to industries most impacted by COVID-19



Loan portfolio

$ in millions

Utility outlook and drivers

Pending Rate Cases

- Hawaiian Electric 2020 rate case
  - Settlement with Consumer Advocate filed 5/27, subject to PUC approval
    - Utility proposed holding base rates flat:
      - Helps customers given COVID-19 and aligns with Consumer Advocate; reflects ability to offset much of requested increase through cost reduction/efficiencies (ERP system benefits, initiatives aligned with management audit recommendations, reprioritization, deferral/elimination of non-essential work)
      - Continued commitment to achieve our renewable energy goals
    - Cost accrual and recovery through other mechanisms (e.g., RAM, MPIR, trackers) continues
    - Allowed ROE and equity capitalization consistent with final HELCO decision
    - ERP benefits considered flowed through to customers
    - 90% cap on Schofield recovery removed
    - 2017 rate case customer benefit adjustment ends
  - Management audit highlighted areas for improvement, several previously identified by utility with work underway; Utility committed to reduce costs by $25M by year end 2022
- Final HELCO decision pending (Nov. 2019 interim D&O held base rates flat)
- No longer planning to file MECO rate case

Utility outlook and drivers *(cont'd)*

Decoupling

- **Decoupling provides earnings stability**
- COVID-19 impacts to economy drive lower loads
- Under the RBA, utility charges or credits customers for the amount of the year-end RBA balance, effective June 1 of the following year

Deferral of COVID-19 expenses (~$22M)

- On 6/30 the **PUC approved deferral of COVID-19 related expenses** incurred from 3/17 through 12/31/20
  - Utility to file quarterly reports on COVID-19 related expenses
  - Separate application to be filed regarding recovery

Fuel impacts

- **Lower fuel prices provide bill relief for customers, potential fuel cost risk sharing benefit to utility**
- Average residential customer bill (500 kwh) in July ~$23 lower than in March, primarily due to fuel price declines, helping offset impact of higher residential usage while more customers work from home
- Under Fuel Cost Risk Sharing mechanism, utility has maximum pre-tax upside/downside of $3.1M

Aggressively pursuing renewable energy

Commitment to renewables, record procurement efforts continue despite COVID-19

- **Implementing Hawaii's largest utility-scale renewable procurements**

Stage 2 RFP	– 15 projects in PPA negotiation and community engagement phase, could produce nearly ~460 MW of solar energy and nearly ~3 GWh of storage
Stage 1 RFP	– PUC approved 7 PPAs for 260 MW solar and ~1 GWh storage[1]

- **Accelerating community-based renewables (CBRE), private rooftop PV**
  - Phase 2 CBRE program under development; open for 235 MW of renewables with focus on low-and-middle-income customers; utility able to develop projects, recruit subscribers
  - Partnered with solar industry and regulators to shorten private rooftop PV activation timeline
- **Retiring coal, oil-fired generation**
  - 180 MW AES coal plant contract expires Sept. 2022
  - Oil-fired Kahului Power Plant planned for retirement by 2024 (and potentially earlier)
  - Honolulu Power Plant decommissioned in 2014

1 An eighth PPA selected in Stage 1 is currently pending PUC approval.

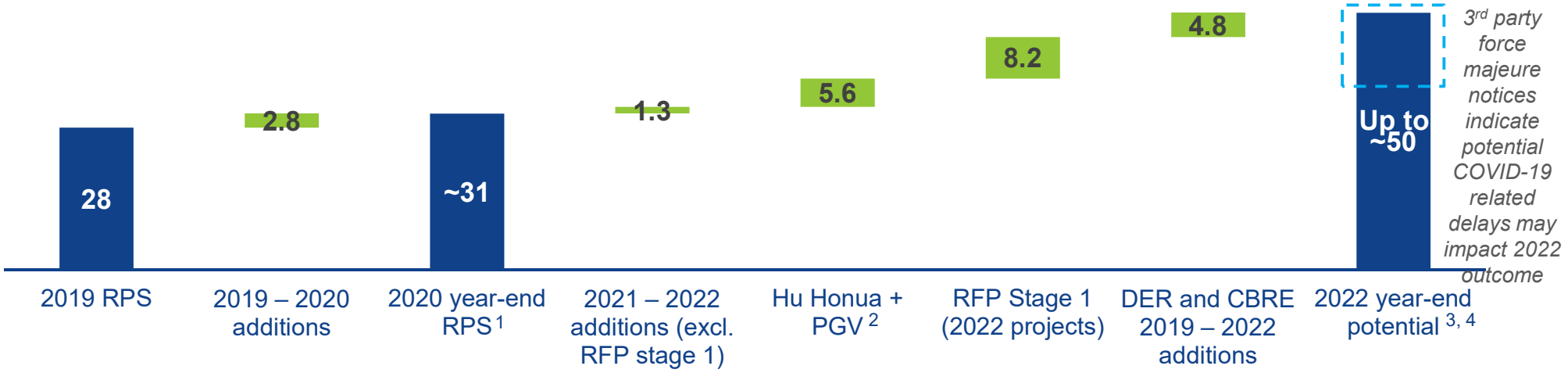
RPS progress continues

Near-term renewable projects represent diverse resource mix, contribute significantly to RPS

- ✓ Prior to COVID-19, expected to meet or exceed 2020 RPS mandate of 30%; COVID-19 related sales declines likely to temporarily increase RPS above pre-COVID expectations
- ✓ Other COVID-19 impacts may affect Stage 1 RFP third party project timing; next mandated RPS requirement of 40% by 2030 provides sufficient runway to make adjustments if needed
- ✓ Stage 2 RFP projects, once completed, would further contribute to RPS goals
- ✓ **We remain fully committed to transitioning off fossil fuels as quickly as possible**

Near term projects, % RPS contribution by year

Community acceptance of projects, land availability and market's ability to deliver cost-effective projects remain key determinants of reaching up to ~50% RPS



1 COVID-19 related sales declines in 2020 are expected to temporarily increase RPS above expected ~31% level, as RPS calculation = renewable generation / sales.

2 Chart assumes both Puna Geothermal Venture ("PGV") and Hu Honua, contributing 4.0% and 1.6% to RPS, respectively, are placed in service and PGV capacity is increased by the 8 MW included in the application for approval of the revised PGV PPA filed with the PUC. PGV was damaged by lava flows in 2018; specific timing for its return to service is currently uncertain. On 7/9/20 the PUC denied a waiver from competitive bidding for the Hu Honua project and denied without prejudice its amended PPA; at this time there is considerable uncertainty regarding the Hu Honua project's future.

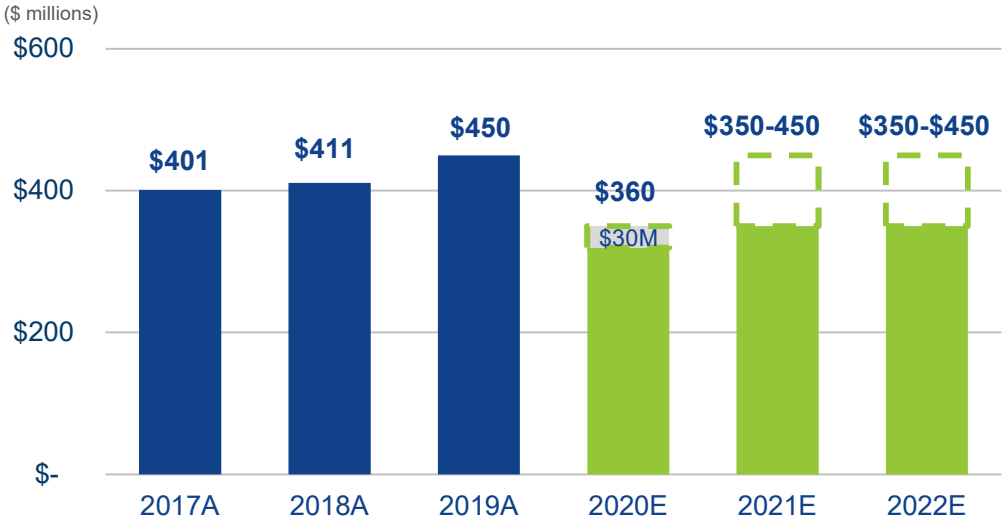
3 Potential delays due to COVID-19 could affect RPS level achieved in 2022. Third parties have submitted force majeure notices in anticipation of impacts to project completion timing.

4 20% of executive long-term incentive opportunity for 2020-22 period is based on achieving the following RPS levels by 2022: minimum of 32%, target of 40% and maximum of 50%.

Renewables, reliability and resilience drive capital investment

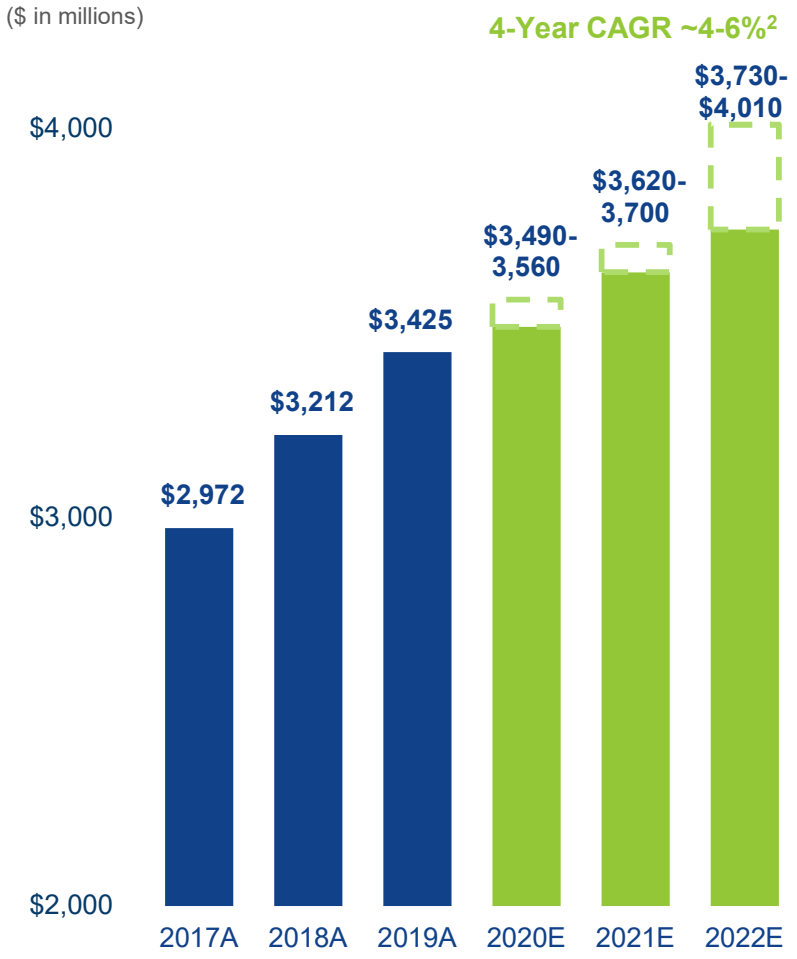
CAPITAL EXPENDITURES FORECAST[1]

Potential for COVID-19 related impacts in 2020 of $30M



Major Capex Projects	Forecast 2020	Forecast 2021	Forecast 2022
Baseline Projects	~$315	~$315	~$315
Grid Modernization Project Phase 1	$39	$15	$17
Grid Modernization Project Phase 2		$2	$36
Army Privatization			$16
Maui and Hawaii Island RFP Stage 2 BESS Projects	~$2	~$9	~$55
Various Other Major Projects	~$6	~$28	~$68

RATE BASE FORECAST



Note: Capital expenditure figures are net of contributions in aid of construction (CIAC).

1 Major projects listed may not sum to capex range shown on bar chart. Given uncertainty regarding timing of approvals and spend for certain projects, actual amounts and timing may vary.

2 2019 – 22 CAGR. Rate base impacted primarily by plant additions. Also includes other items (i.e., unamortized CIAC, accumulated deferred income taxes, certain regulatory assets, etc.).

ASB: Sufficient visibility except regarding credit given COVID recovery

5/5/20 bank guidance focused on pre-tax, pre-provision (PTPP) income

(As of 2/13/20)

ASB KEY ASSUMPTIONS:

- Low to mid-single digit earning asset growth
- NIM: ~3.70% to 3.80%
- Provision expense: $17 million to $22 million
- ROA: >1.10%

BANK EPS: $0.73 - $0.80

ASB Assumptions

(As of 5/5/20)

Sufficient visibility to:

- Net Interest Margin
- Non-interest Income
- Non-interest Expenses

PTPP income:

Current 2020 expectation: $90 - $110 M

Embedded in previous guidance: $121 - $127 M

Poor visibility to likely credit outcomes

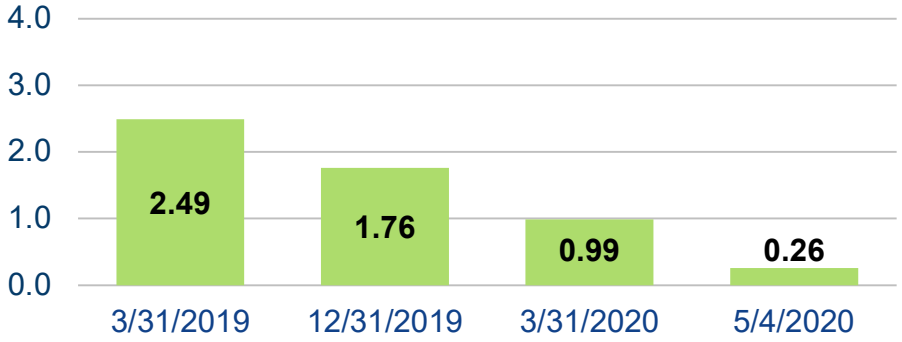
No guidance for expected credit costs and, therefore, bottom line earnings

NIM compression expected given interest rate environment

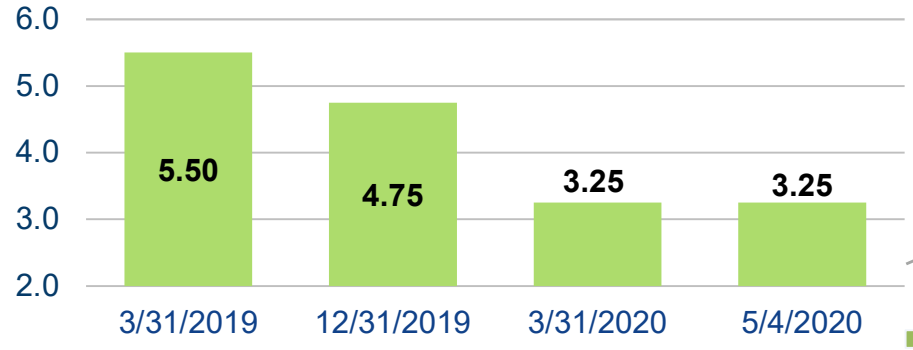
Interest rates

- Interest rates could remain low for remainder of year
  - Federal Reserve reduced fed funds rate 0.50% on Mar. 3rd and 1.00% on Mar. 15th
  - Lower interest rate environment increases FAS91 amortization, adding to NIM pressures
  - NIM still best-in-class; 1Q NIM over 50 bps higher than Hawaii peer average

1 Month Libor (%)



WSJ Prime (%)



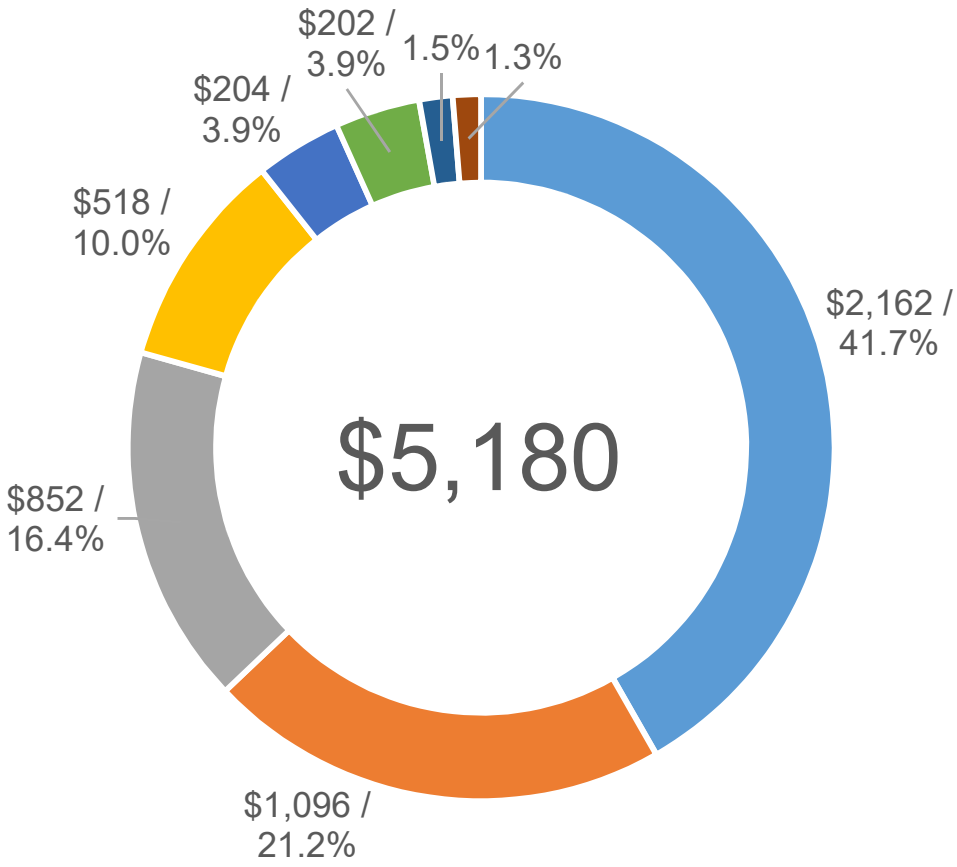
NET INTEREST MARGIN (%)



Source for peer data: SNL Financial (based on data available as of 5/1/20).
Net Interest Margin: Net interest income as a percentage of average interest-earning assets.
1 Median for peer group based on publicly traded banks and thrifts between $4B and $9B in total assets. See Appendix for ASB peer group information.

Bank loan portfolio highly secured by real estate

($ in millions)



	March 31, 2020	% of total loans
Residential mortgage	2,162	41.7%
Home equity	1,096	21.2%
Commercial real estate	852	16.4%
Commercial construction	79	1.5%
Real Estate Secured	**4,189**	**80.9%**
Commercial & industrial	518	10.0%
National syndications	204	3.9%
Total Commercial	**722**	**13.9%**
Personal unsecured loans	202	3.9%
Other consumer	67	1.3%
Total Consumer	**269**	**5.2%**
Total loans	5,180	

Loan portfolio characteristics

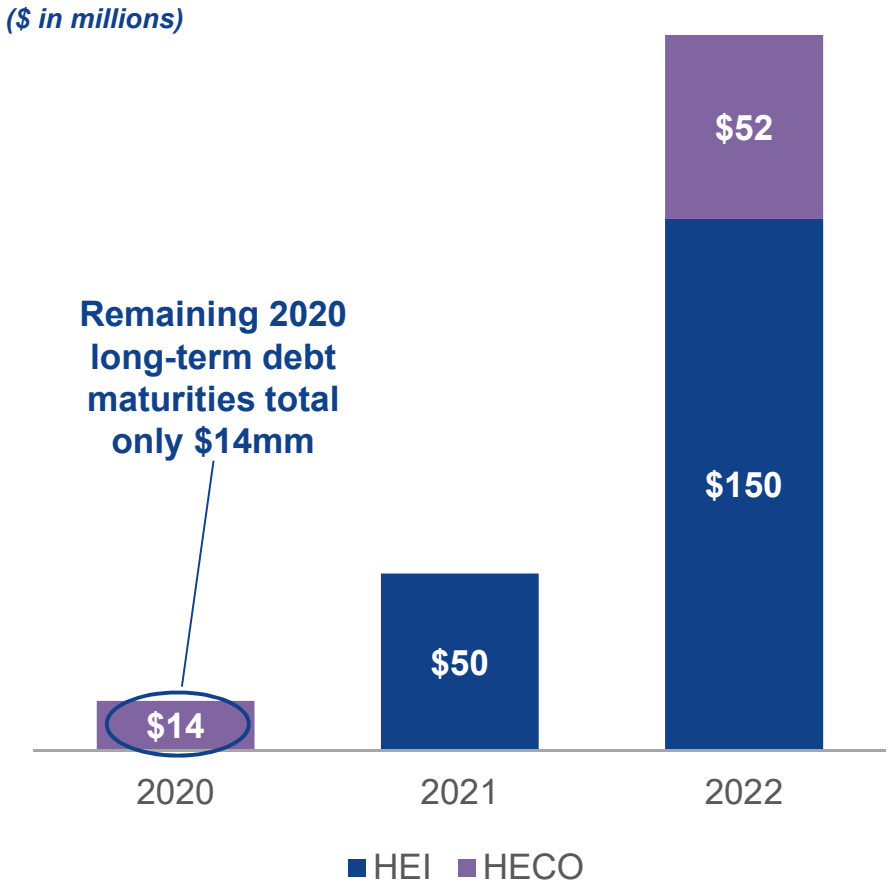
- ✓ ~80% of loan portfolio secured by real estate
- ✓ C&I represent ~14% of total loans
- ✓ Personal unsecured loans represent ~4% of loans
- ✓ As of 4/28/20, ASB granted payment deferrals on approximately 10% of total loan portfolio

Solid capital and liquidity positions
(as of May 2020)

Liquidity and balance sheet strong across enterprise

- ✓ Both utility and bank expected to be self-funding in 2020, with strong stand-alone balance sheets and liquidity
- ✓ Access to capital remains sound even through recent historic market dislocations, as proven by recent transactions
- ✓ Utility and holding company transactions further strengthen enterprise-wide liquidity
  - − $150M credit facility fully available at holding company
  - − $275M credit facility fully available at utility
- ✓ We maintain long-term commitment to investment grade ratings

Upcoming long-term debt maturities at HEI and Hawaiian Electric are manageable



Note: 2021 maturities also include $65M (not pictured above) from newly-issued HEI 364-day term loan.

HEI 2020 guidance
(as of May 5, 2020)

UTILITY EPS: $1.46 - $1.54
Stable performance through supportive regulatory framework and focus on cost reductions

KEY ASSUMPTIONS:

- No change to decoupling or recovery mechanisms
- No material impact from PIM penalties and rewards
- O&M (excluding pension)[1] increase at or below inflation; identifying potential expense offsets for revenue increase in Hawaiian Electric rate case
- 2020 capex of ~$360 million[2]
  - *Potential for $30 million (less than 10%) reduction in 2020*
- Rate base growth: ~4% over 2019
- Equity capitalization at approved rate case levels
- *Assumes deferral of 2020 COVID-19 related costs (estimated to be ~$22M) for future recovery*

Utility net income guidance reaffirmed, although likely within bottom half of range

BANK PTPP income: $90 - $110 M
Continued profitable operations with revisions to pre-provision elements

KEY ASSUMPTIONS:

- *Continued profitable operations with pre-tax, pre-provision income: $90 - $110 M*
  - Previous: $121 - $127 M embedded in guidance
- Low to mid-single digit earning asset growth
- *NIM: ~3.45% - 3.55%*
  - Previous: ~3.70% - 3.80% (1Q 3.72%)
- *Provision expense: no guidance at this time*
  - Previous: $17 - $22 M (1Q $10.4 M)
- *ROA: no guidance at this time*
  - Previous: >1.10% (1Q 0.87%)

Bank provision and net income too early to determine at this time

Holding company range reaffirmed

Consolidated EPS not provided due to provision uncertainty at the bank

Note: Holding company and other net loss estimated at $0.27 - $0.29.
[1] Also excludes O&M expenses covered by surcharges or by third parties that are neutral to net income.
[2] 2019-20 capex averages ~$400 million given acceleration of certain 2020 projects into 2019.

Appendix

Catalyst for a better Hawai'i

Protecting our employees, helping our customers and community during COVID-19 period

Protecting our employees

Hawaiian Electric

- Activated pandemic response team
- Identified essential workforce and deployed alternating work teams
- Mandatory work-from-home for all applicable employees
- Made additional family/sick leave available to assist employees impacted by COVID-19

American Savings Bank

- Comprehensive physical safety measures including PPE, customer-friendly barriers, intensive disinfection and social distancing
- Remote work where feasible, special pay and perks where not
- Enhanced communication, health monitoring and employee assistance

Helping our customers

Hawaiian Electric

- Suspended disconnections for nonpayment through September 1
- Payment arrangements for customers experiencing financial strain
- Rescheduling projects to avoid outages as community works from home

American Savings Bank

- Delivered essential services—37 of 50 branches remained open, some with reduced hours
- Broad hardship accommodations
  - Loan deferral, forbearance option
  - Fee reductions and waivers
- Total commitment to access available support and stimulus; in April:
  - Secured $370M Paycheck Protection Program loans for 3,600 small businesses (1,000 new customers), helping to preserve ~40,000 jobs

Supporting our community

- HEI Charitable Foundation, our companies and our employees have together pledged >$750K to support local families negatively impacted by COVID-19
- Partnerships with:
  - Aloha United Way
  - Hawaii Foodbank
  - Hawaii Meals on Wheels
  - Hawaii Community Foundation
  - Hawaii Farm Bureau – Farm to Hospital
  - Hawaii Rise Foundation
  - Helping Hands Hawaii
  - Kupu
  - Kapiolani Health Foundation
  - Child & Family Service
  - Partners in Development
  - Salvation Army
  - St. Francis Health System

Hawaii economic update

Tourism

	May 2020 vs May 2019	YTD 2020 vs YTD 2019
Total arrivals	-98.9%	-49.5%
Total expenditures	N/A	N/A

Unemployment

- May 2020 – Hawaii: 22.6%; U.S.: 13.3%

Real Estate

- YTD May 2020 Oahu sales volume vs PY:
  - Single family homes, down 4.2%; Condominiums, down 19.3%
- YTD May 2020 Oahu median sales prices vs PY:
  - Single family homes: $789,000, up 1.8%;
  - Condominiums: $429,000, up 3.4%

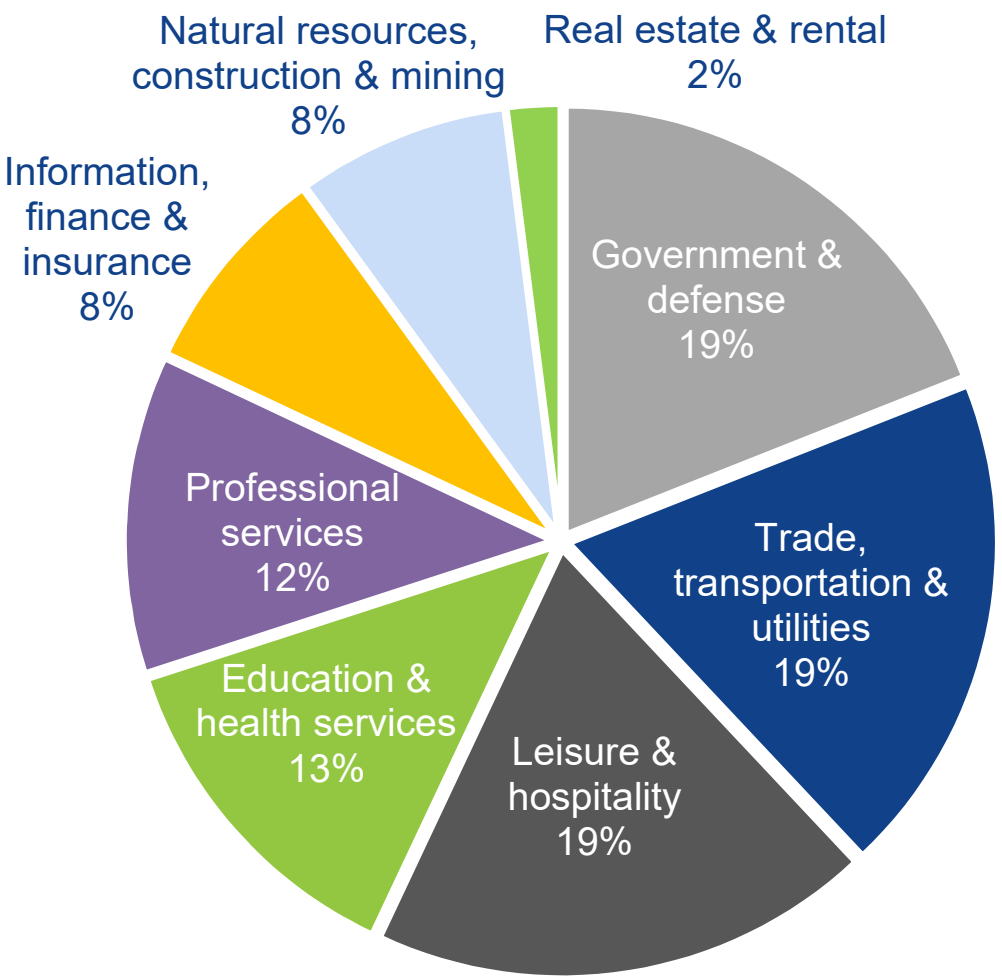
Real State GDP

- Expected to decrease 11.1% in 2020 dur to COVID-19, increase 6.1% in 2021

Sources: Department of Business, Economic Development and Tourism, University of Hawaii Economic Research Organization, U.S. Bureau of Labor Statistics and the state of Hawaii Department of Labor and Industrial Relations, Title Guaranty Hawaii.

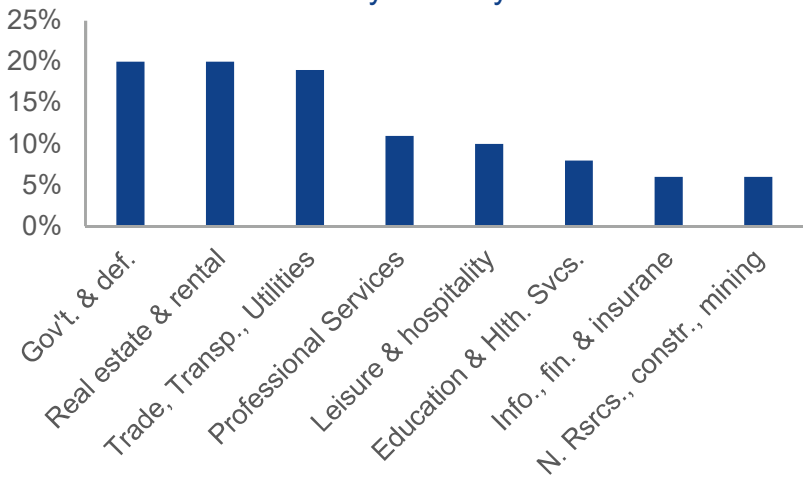
Despite near-term COVID-19 impacts, underlying strengths of Hawaii economy remain

Hawaii jobs by industry

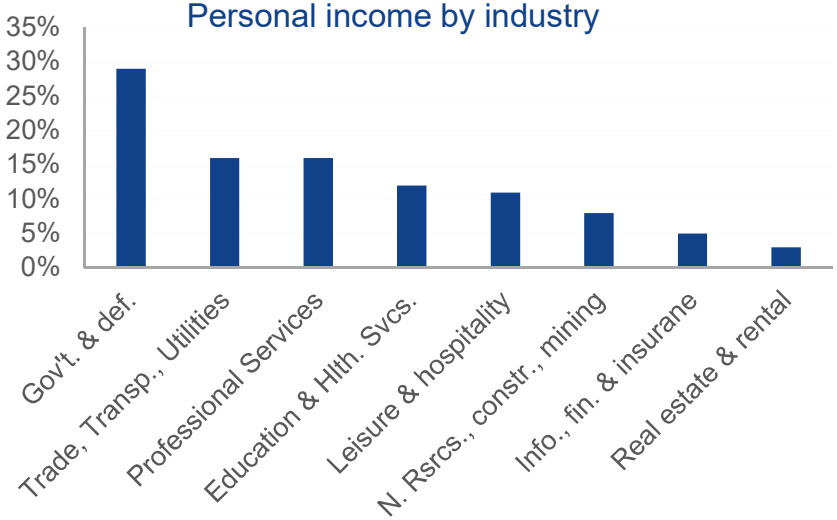


Source: UHERO 2019 data

GDP by industry

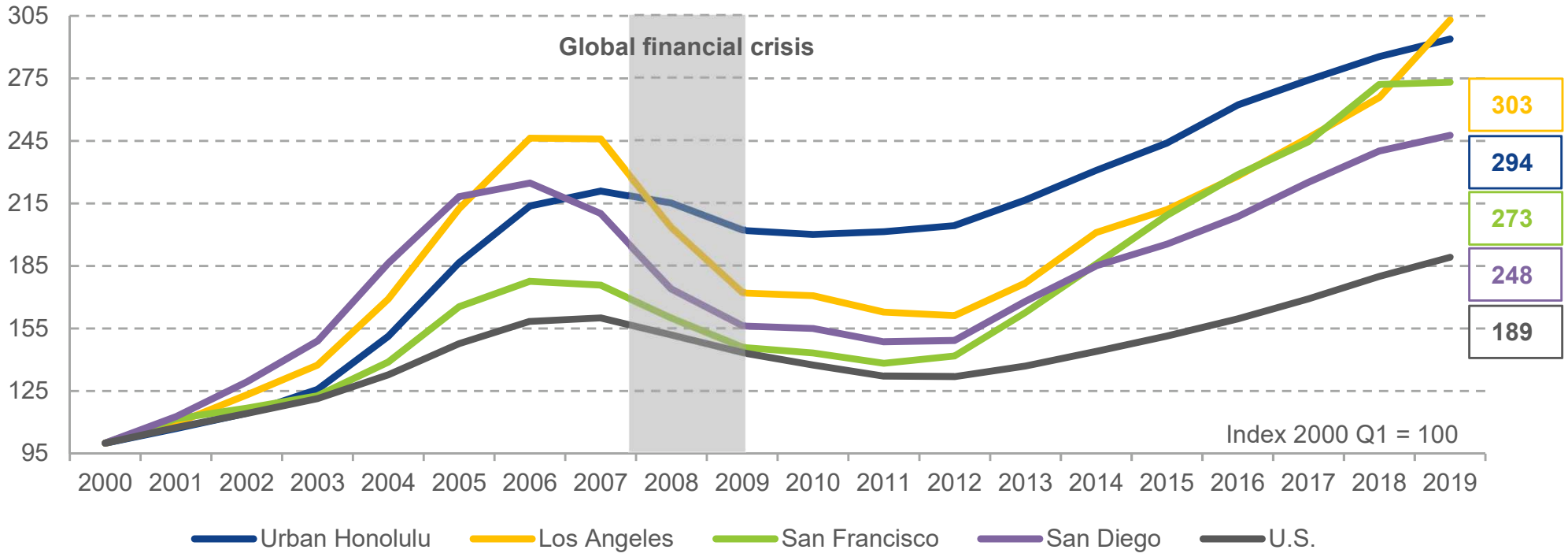


Personal income by industry



Hawaii's resilient real estate values

Honolulu single family home prices declined less and rebounded faster in last recession



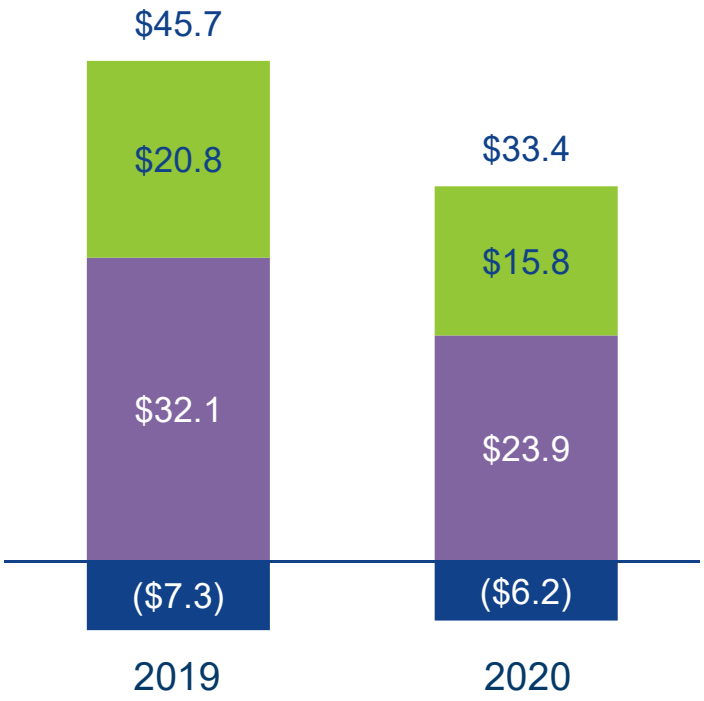
	Peak yr	High	Low yr	Low	Change (%)	Duration (yrs)
Honolulu	2007	221	2010	200	-9.5	~3
Los Angeles	2006	246	2012	161	-34.6	~6
San Francisco	2006	178	2011	138	-22.5	~5
San Diego	2006	225	2011	149	-33.8	~5
U.S.	2007	160	2012	132	-17.5	~5

Source: Federal Reserve Bank of St. Louis All-Transactions House Price Index

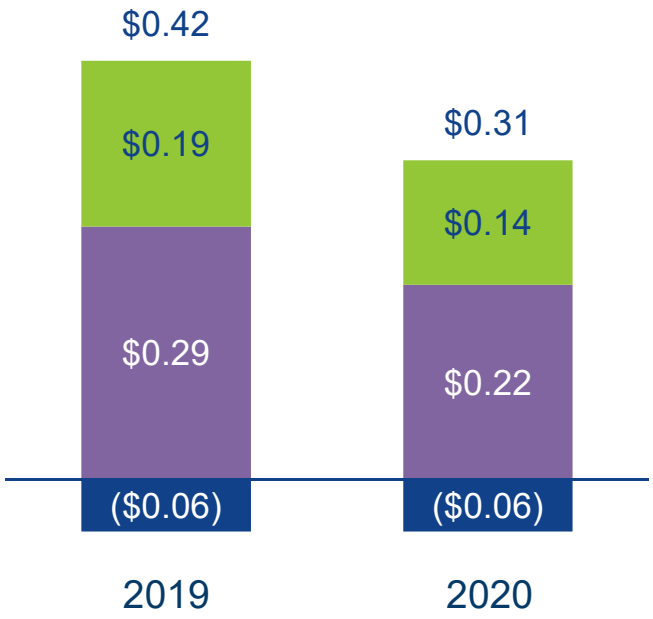
1Q 2020 consolidated financial performance

Net Income (GAAP)

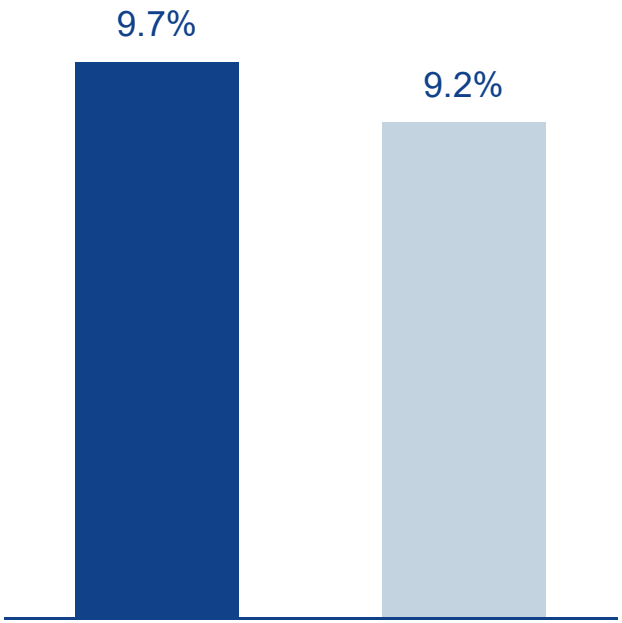
($ in millions)



EPS (GAAP)



Consolidated LTM ROE



	2019	2020
Utility	7.8%	7.4%
Bank[1]	13.1%	9.1%

Utility Bank Holding Co. & Other

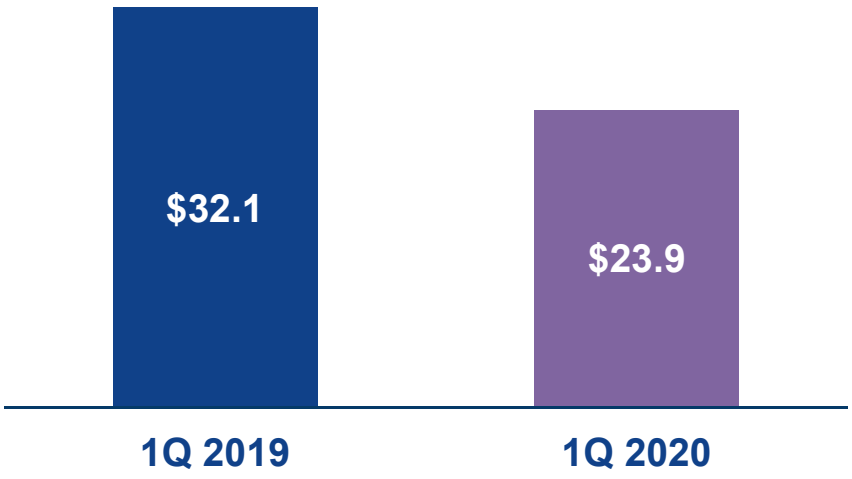
Note: Columns may not foot due to rounding.

1 Bank ROE is Q1 annualized (not last twelve months), and is based on daily weighted average common equity.

1Q 2020 utility performance

($ in millions)

UTILITY NET INCOME



KEY UTILITY EARNINGS DRIVERS, AFTER-TAX FAV/(UNFAV)

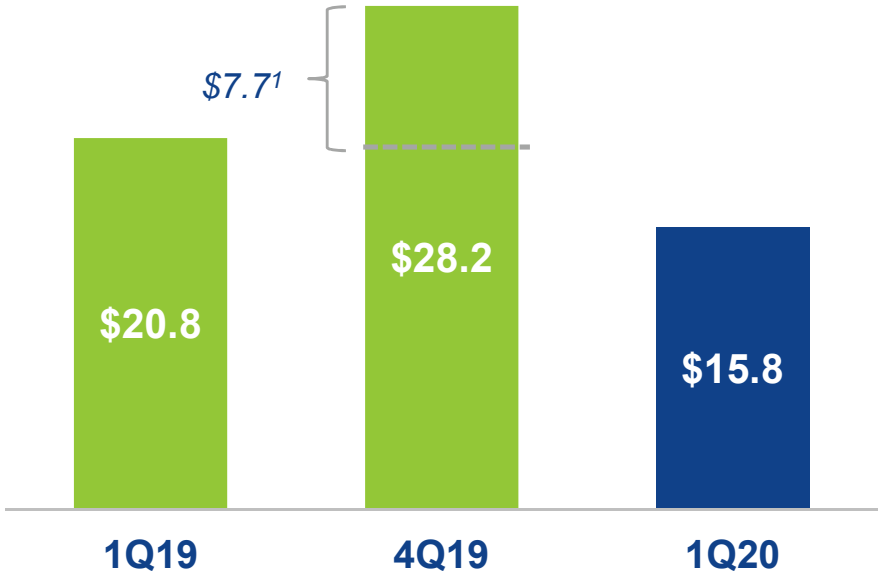
	1Q 2020 vs 1Q 2019
RAM revenues for Hawaiian Electric, Hawaii Electric Light and Maui Electric	3
MPIR revenues	1
Lower interest expense	1
Operations and maintenance (excluding bad debt expense)[1]	(5)
Bad debt expense	(2)
Depreciation	(1)
Performance incentive mechanism rewards	(1)
Mutual assistance work reimbursement	(1)
Allowance for funds used during construction	(1)

1 Includes pension related expenses

1Q 2020 bank performance

($ in millions)

BANK NET INCOME



KEY BANK EARNINGS DRIVERS, AFTER-TAX FAV/(UNFAV)

	1Q20 vs 4Q19	1Q20 vs 1Q19
Net interest income	–	(2)
Provision for loan losses	(4)	(3)
Noninterest income[1]	(9)	–
Noninterest expense	–	(1)

1 Q4 2019 non-interest income included net gain on sale of properties, comprised of after-tax gain on sale of properties of $7.9M and after-tax campus transition costs of $0.2M

HEI financing outlook 2020

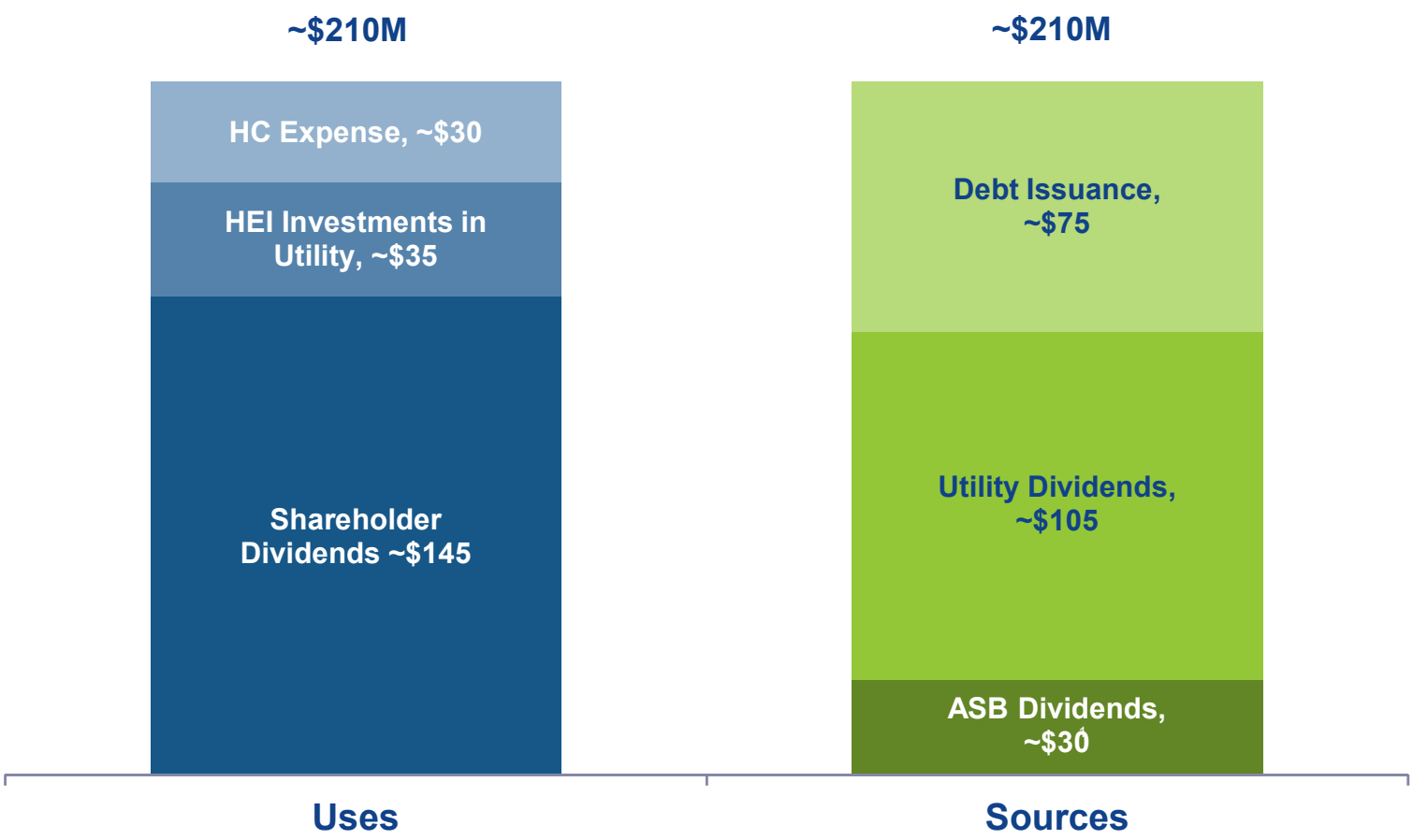
(as of May 5, 2020)

Both bank and utility remain net cash flow providers to holding company

We remain committed to an investment grade rating and can turn on DRIP if needed

2020 HOLDING COMPANY SOURCES & USES OF CAPITAL

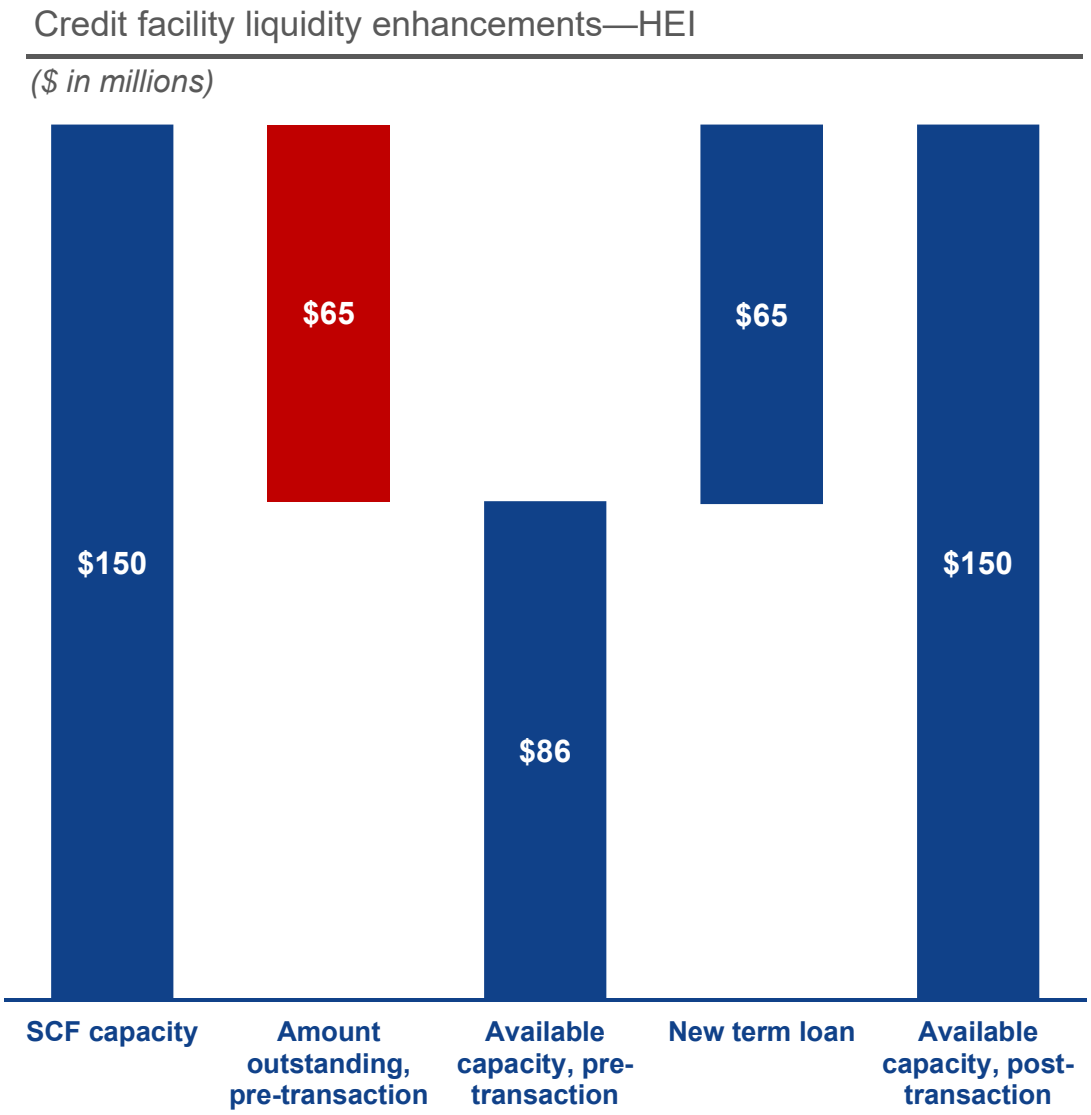
($ in millions)



Note: Numbers in chart are rounded to nearest multiple of 5.

1 ASB paid $28 million of dividends in the first quarter of 2020. Current expectations are for no further dividends for the remainder of the year.

Holding company maintaining strong liquidity



Holding company's strong balance sheet and liquidity serve as source of strength for combined enterprise

In light of COVID-19 pressures, HEI raised capital in April, **ensuring ample liquidity while uncertainty remains regarding commercial paper markets**

2020 cash needs can be met with ample liquidity coverage

Utility transactions ensure healthy liquidity



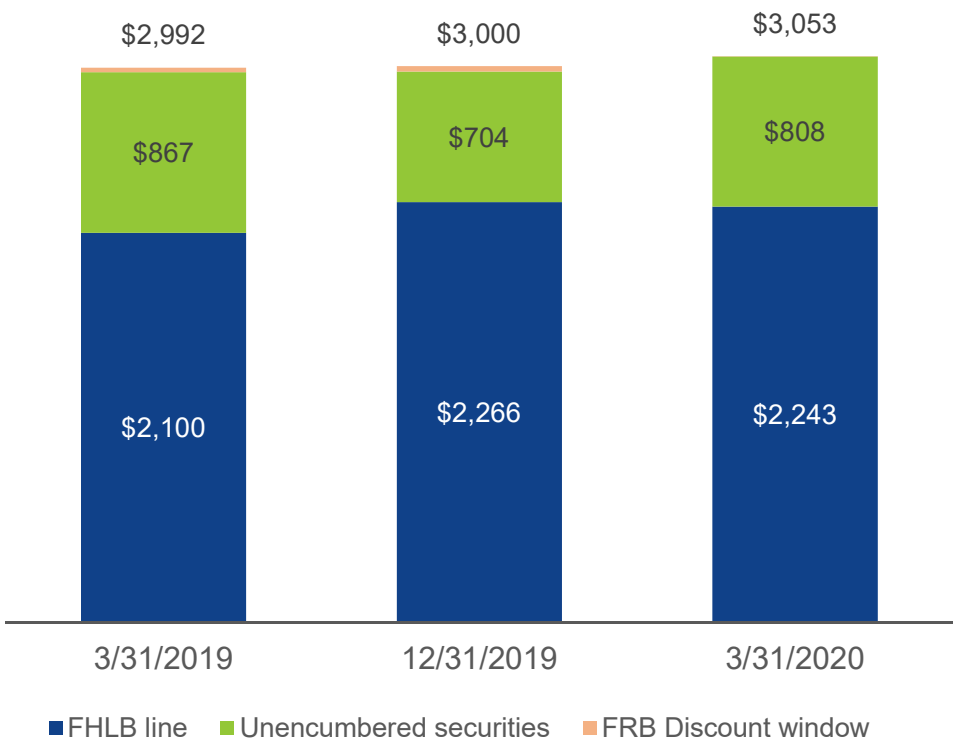
Hawaiian Electric transactions have increased liquidity, demonstrate resilience of our capital markets access

$160M private placement included **$50M green bond** portion. Proceeds used to pay down outstanding revolver balance and prepay $50M of $100M term loan due in December

Utility also refinanced remaining $50M of term loan due in December, further enhancing 2020 liquidity, and expanded revolver capacity by $75M

Bank liquidity and capital remains solid

Secured funding available *($ in millions)*



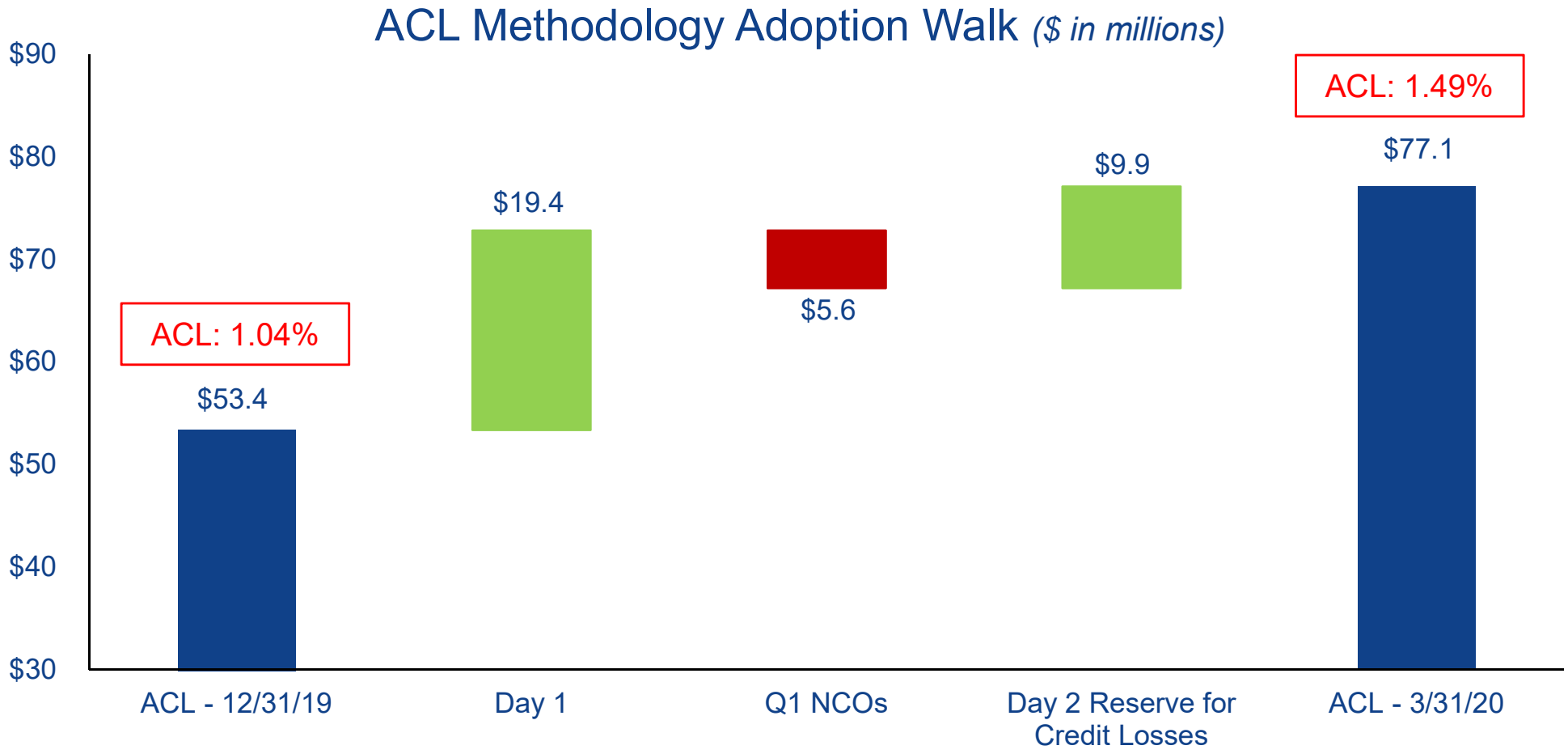
ASB has sufficient access to large amounts of liquidity, and is currently expanding available borrowing capacity by pledging PPP loans ($250M pledgable as of 3/31/20)

ASB has significant capacity to absorb losses and is not expected to require capital from HEI

ASB capital ratios well above both "Well Capitalized" levels and minimum requirements

	Common equity tier 1	Tier 1 capital	Total capital	Tier 1 leverage
As of 03/31/20	12.75%	12.75%	13.94%	8.78%
"Well capitalized"	6.50%	8.00%	10.00%	5.00%
Minimum requirements	4.50%	6.00%	8.00%	4.00%

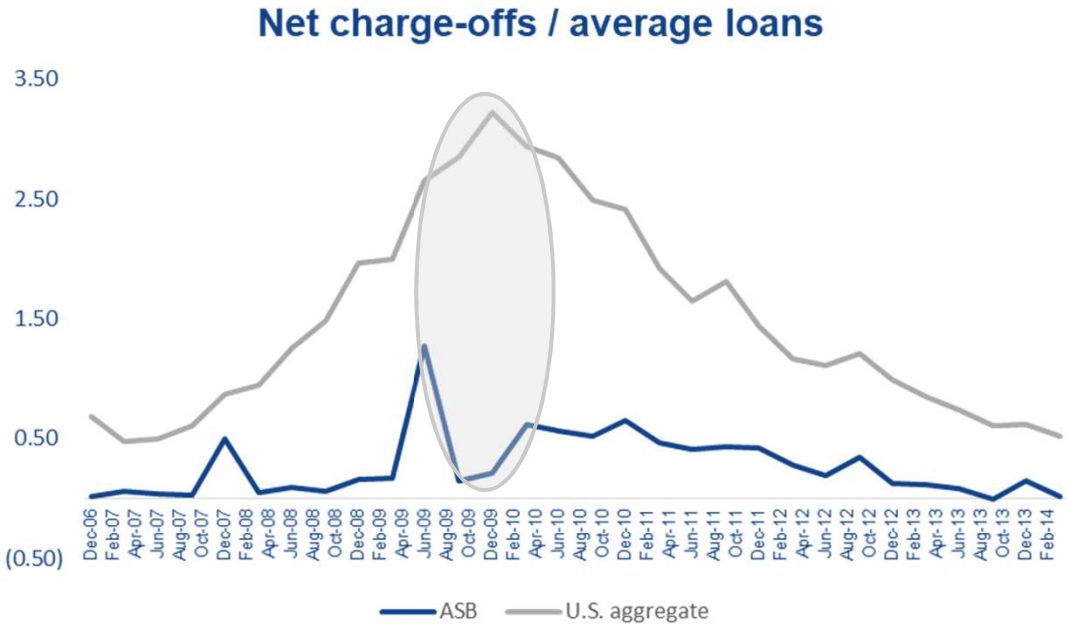
Bank allowance for credit losses (ACL) methodology



- ASB Day 1 Adjustment: 36% increase totaling $19.4M, primarily attributed to personal unsecured loan portfolio
- ASB Day 2 Adjustment: 6% increase incorporating known relevant information as of 3/31/20
- ASB ACL 3/31/20 – 1.49% vs. 1.46% Median Peer Group
- ASB ACL 3/31/20 – 1.49% vs. 1.24% Median Hawaii Peers

Lower loss rates and sufficient pre-tax, pre-provision income at bank to offset even historical peak loss

ASB's net charge-offs have been consistently below national average



During last financial crisis ASB net charge-off ratio increase was well below national levels, as Hawaii residents continued to pay mortgages/other loans

Provision expense as % of average loans		
	Average	Peak
2004 to 2007	0.05	0.15
2008 to 2011	0.52	0.81
2012 to 2019	0.26	0.47

ASB has substantial loss absorption capacity

2020 expected pre-tax pre-provision income: $90 to $110 million

Historical loss experience applied to a $5B loan portfolio

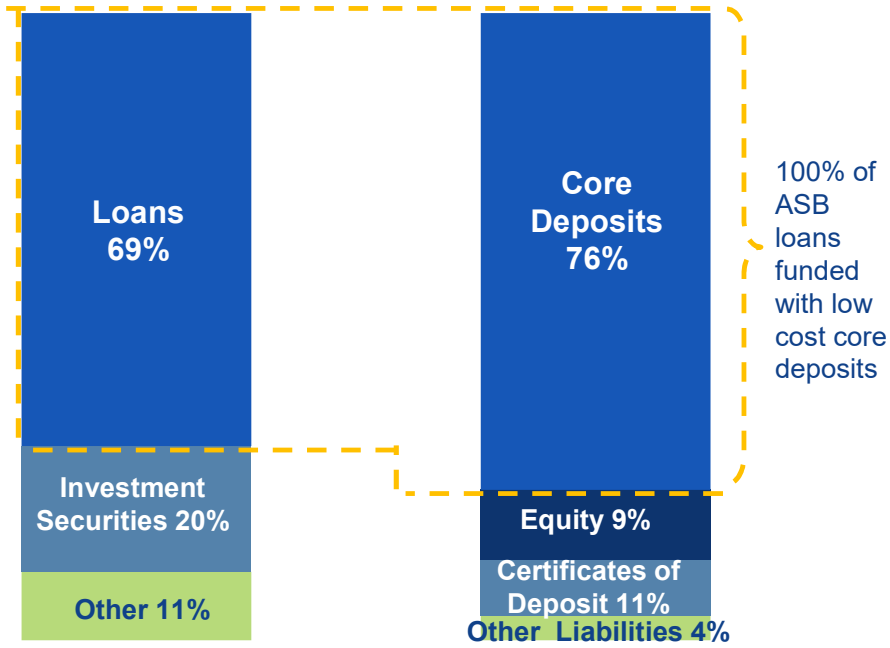
($ in millions)

	Average	Peak
2004 to 2007	$2	$8
2008 to 2011	$27	$42
2012 to 2019	$13	$24

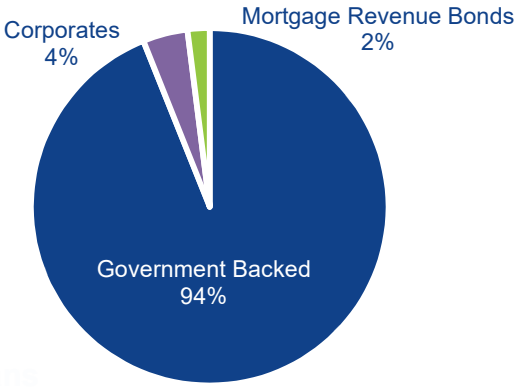
Quality bank balance sheet and loan portfolio

ASB[1]

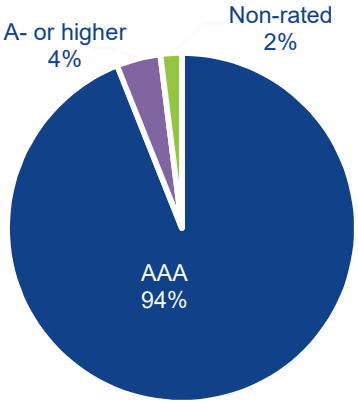
Average yield on earning assets	3.96%
Average cost of funds	0.24%
Return on avg. equity[2]	9.1%



Investment Portfolio Sectors



Investment Portfolio Ratings



PEER BANKS[4]

Loans	Investment Securities	Other	Core deposits	CD's	Other Liabilities	Equity	Median of avg. yield on earning assets	Median of avg. cost of funds	ROAE
73%	12%	15%	58%	15%	14%	13%	4.53%	1.05%	10.6%

Source for peer data: SNL Financial (based on data available as of 4/29/20).
Columns may not foot due to rounding.
1 For quarter ending 3/31/20.
2 Bank return on average equity calculated using weighted average daily common equity.
3 Before deferred fees, discounts and allowance for loan losses.
4 For quarter ending 12/31/19. Peer group based on publicly traded banks and thrifts between $4B and $9B in total assets.

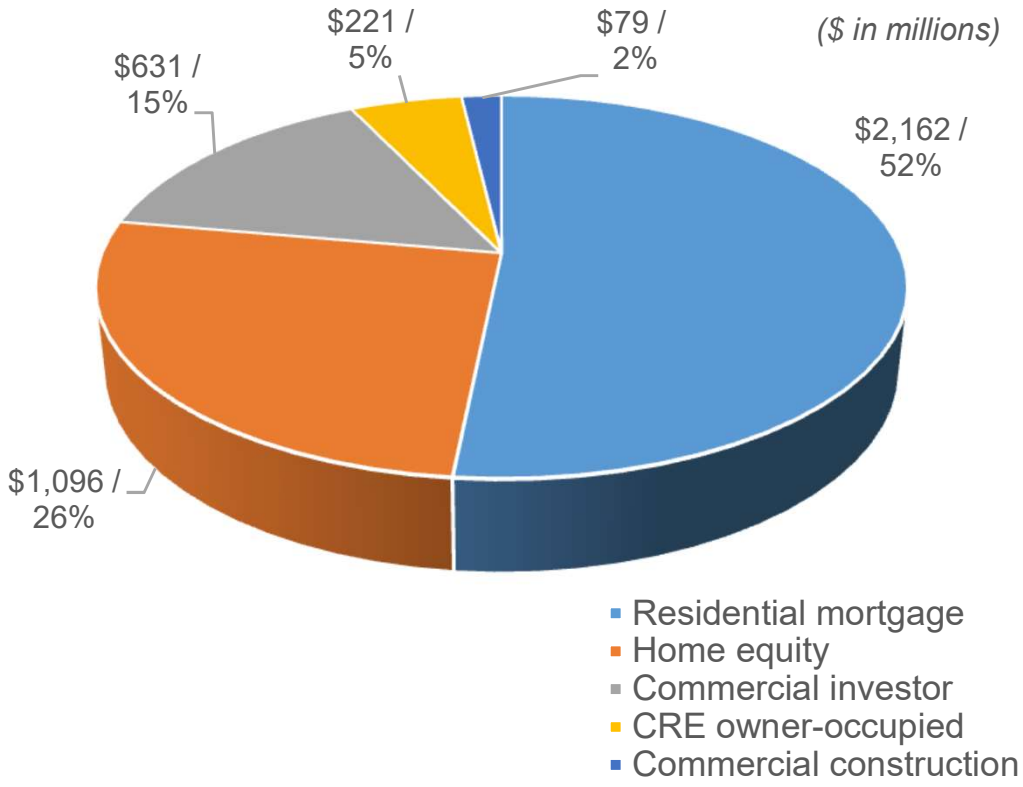
Bank real estate secured portfolio characteristics

Commercial real estate

- ✓ Represents 16% of overall loan portfolio
- ✓ $631M CRE investor & $221M CRE owner occupied
- ✓ Wtd avg LTV: 50.0%
- ✓ 88% of CRE portfolio is located in Hawaii

Home equity

- ✓ Represents 21% of overall loan portfolio
- ✓ 74% Oahu, 11% Maui, 9% Big Island, 6% Kauai
- ✓ Wtd. avg FICO Score 756
- ✓ Wtd avg LTV: 40.4%
- ✓ % in 1st lien position: 54% / $595M
- ✓ % in 2nd lien position: 46% / $501M
- ✓ Number of loans ~15,000



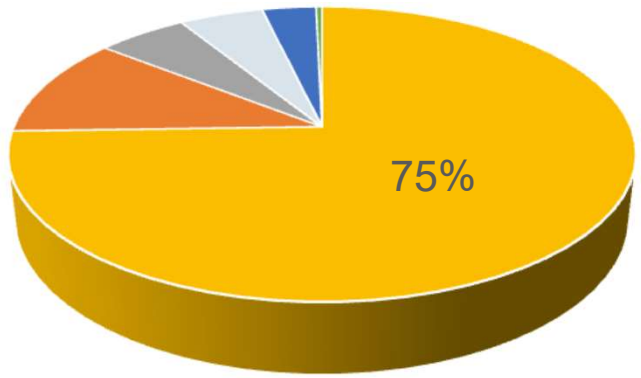
Residential mortgage

- ✓ Represents 42% of overall loan portfolio
- ✓ 66% Oahu, 22% Maui, 8% Big Island, 4% Kauai
- ✓ Wtd. avg FICO Score 758
- ✓ LTV: 53.5%
- ✓ Avg loan size: ~$300,000
- ✓ Number of loans ~7,175

Bank consumer loan portfolio characteristics

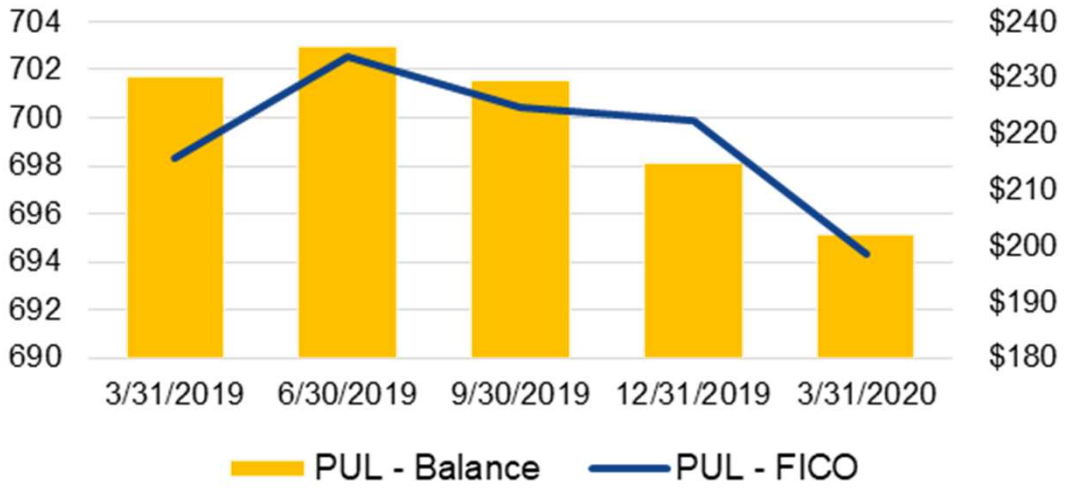
($ in millions)

Consumer Portfolio Composition



- Personal unsecured loans
- Personal line of credit
- Residential construction
- Land
- Clean energy loans
- Other consumer

Personal Unsecured Loans

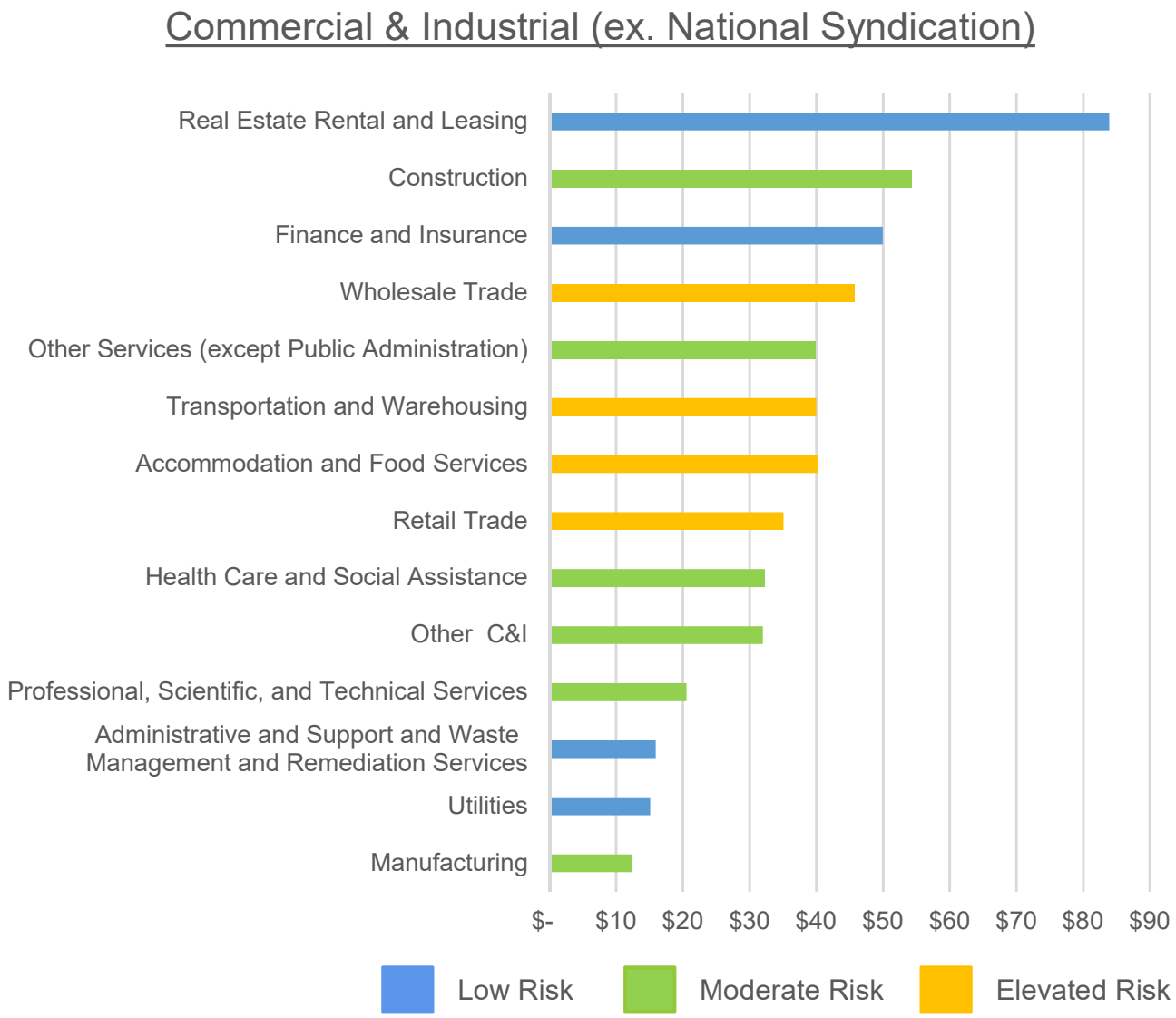


Personal unsecured loan risk characteristics

- ✓ 100% Hawaii originated loans
- ✓ Personal unsecured loans represent 75% of consumer loan portfolio
- ✓ Wtd avg. FICO score: 694
- ✓ Wtd avg. yield: 13.4%
- ✓ Annualized net charge-off 1Q20: 8.8%
- ✓ Increased reserves for credit losses of approximately $16M for Day 1 CECL adjustment and $2M for Day 2 reserves
- ✓ As of 4/28/20, granted payment deferrals of $28M to ~3,000 personal unsecured customers

Bank commercial & industrial portfolio characteristics

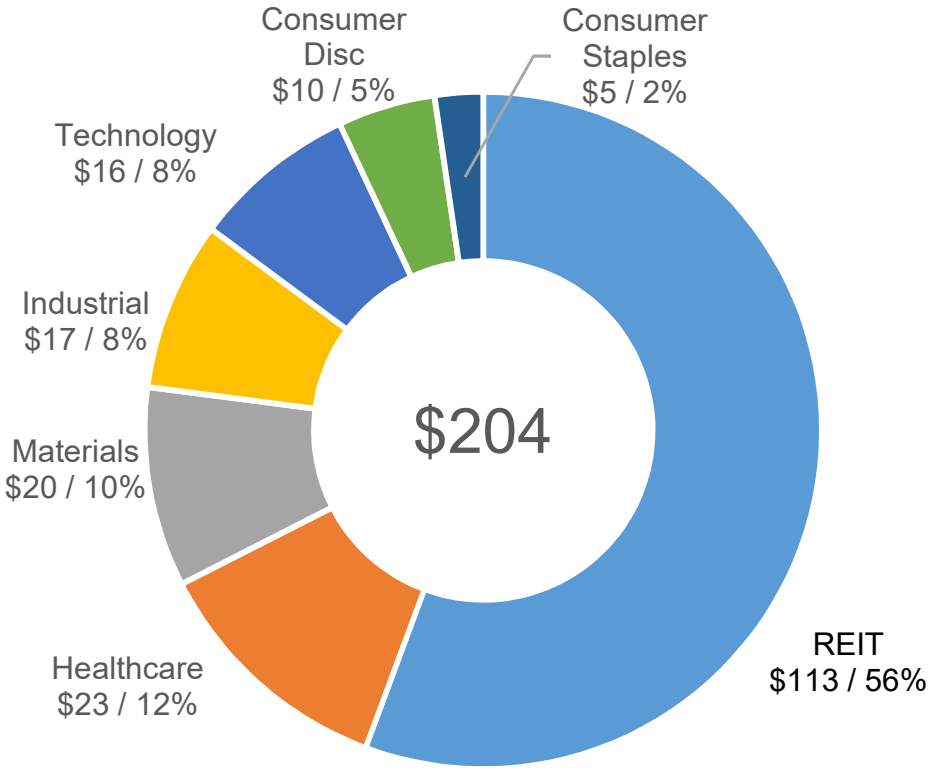
($ in millions)

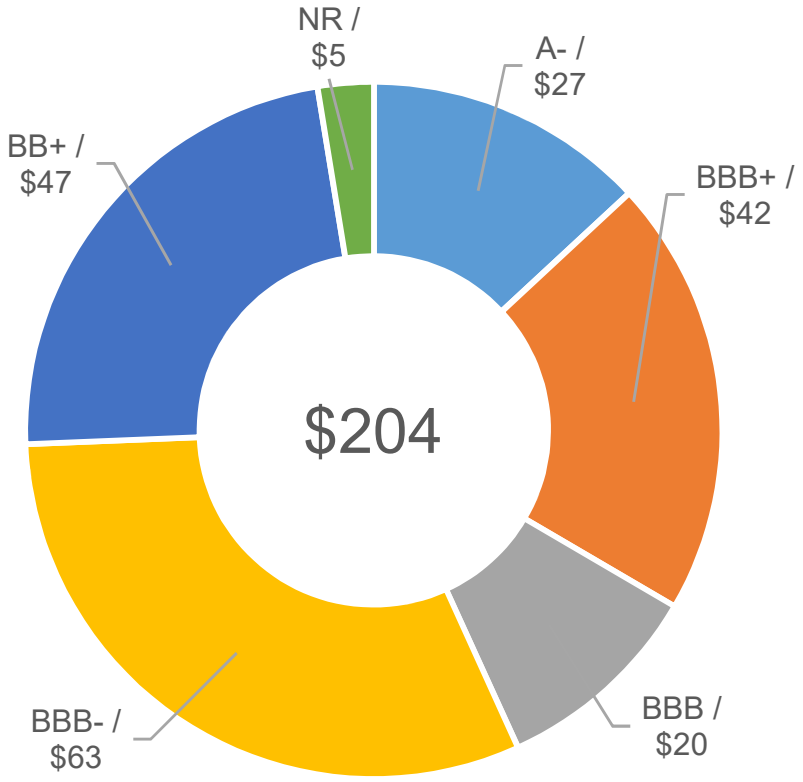


- Commercial portfolio is well diversified with highest concentration to real estate rental and leasing of $84M or 16% of commercial & industrial portfolio (excluding national syndication portfolio)
- Accommodation and retail most heavily impacted by COVID-19
- As of 4/28/20, granted payment deferrals of $94M to 82 commercial customers

Bank national syndication risk characteristics

($ in millions)





National syndication

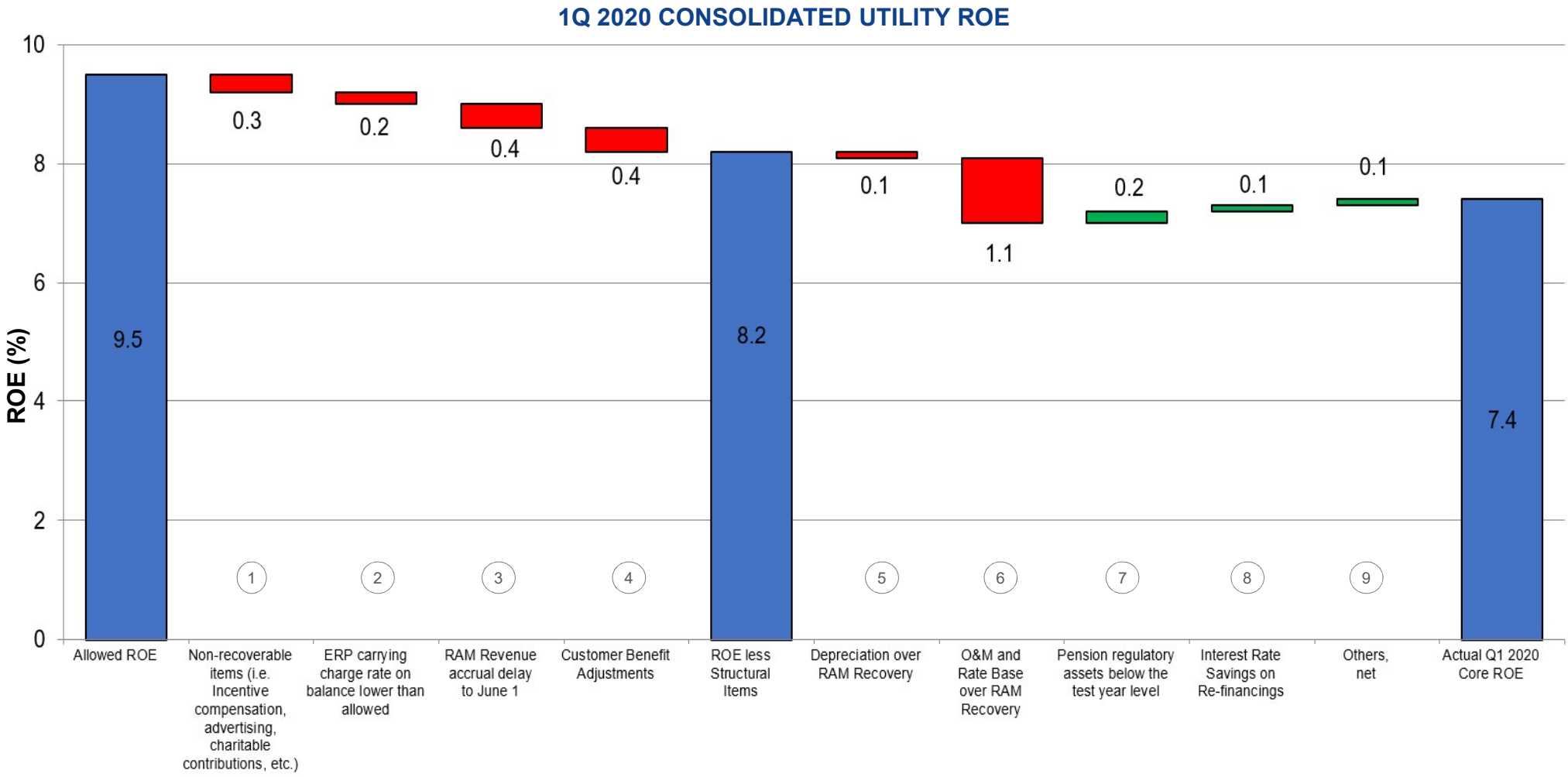
- ✓ Represents ~4% of overall loan portfolio
- ✓ 75% or ~$152M rated investment grade by S&P
- ✓ 56% or $114M to real estate investment trusts
- ✓ 12% or $24M exposure to healthcare
- ✓ As of 4/28/20 ASB had not received any payment deferral requests on any national syndication loan

2020 ASB peer group

Bancorp, Inc.	TBBK	Enterprise Financial Services Corp	EFSC	Sandy Spring Bancorp, Inc.	SASR
FB Financial Corporation	FBK	Veritex Holdings, Inc.	VBTX	Financial Institutions, Inc.	FISI
Meta Financial Group, Inc.	CASH	Heritage Financial Corporation	HFWA	Washington Trust Bancorp, Inc.	WASH
First Financial Bankshares, Inc.	FFIN	Westamerica Bancorporation	WABC	Tompkins Financial Corporation	TMP
W.T.B. Financial Corporation	WTBF.B	Dime Community Bancshares, Inc.	DCOM	Central Pacific Financial Corp.	CPF
Century Bancorp, Inc.	CNBK.A	Camden National Corporation	CAC	Community Trust Bancorp, Inc.	CTBI
Carolina Financial Corporation	CARO	National Bank Holdings Corporation	NBHC	Allegiance Bancshares, Inc.	ABTX
First Bancorp	FBNC	TrustCo Bank Corp NY	TRST	Bridge Bancorp, Inc.	BDGE
Triumph Bancorp, Inc.	TBK	ConnectOne Bancorp, Inc.	CNOB	First of Long Island Corporation	FLIC
BancFirst Corporation	BANF	Lakeland Financial Corporation	LKFN	Univest Financial Corporation	UVSP
First Foundation Inc.	FFWM	First Commonwealth Financial Corporation	FCF	Park National Corporation	PRK
Seacoast Banking Corporation of Florida	SBCF	Southside Bancshares, Inc.	SBSI	Lakeland Bancorp, Inc.	LBAI
City Holding Company	CHCO	QCR Holdings, Inc.	QCRH	Midland States Bancorp, Inc.	MSBI
Great Southern Bancorp, Inc.	GSBC	Horizon Bancorp, Inc.	HBNC	Northfield Bancorp, Inc.	NFBK
1st Source Corporation	SRCE	S&T Bancorp, Inc.	STBA	OceanFirst Financial Corp.	OCFC
TriCo Bancshares	TCBK	Kearny Financial Corp.	KRNY	Boston Private Financial Holdings, Inc.	BPFH
Republic Bancorp, Inc.	RBCA.A	Brookline Bancorp, Inc.	BRKL	Flushing Financial Corporation	FFIC
HomeStreet, Inc.	HMST	ServisFirst Bancshares, Inc.	SFBS	Eagle Bancorp, Inc.	EGBN
Meridian Bancorp, Inc.	EBSB	Peapack-Gladstone Financial Corporation	PGC	Hanmi Financial Corporation	HAFC
TriState Capital Holdings, Inc.	TSC	Bryn Mawr Bank Corporation	BMTC		

Note: Based on publicly traded banks, savings and thrifts in the U.S. that have total average assets between $4 billion and $9 billion for the years 2017-2019 (based upon data available in SNL as of April 03, 2020). Any institution whose business is not directly comparable with ASB or did not have data present for all 3 years was excluded. The peer group is updated annually and banks that no longer report as a separate entity (e.g. mergers, acquisitions, failed banks, etc.) are not included in the median calculations from the time of the transaction or failure.

Utility LTM ROE



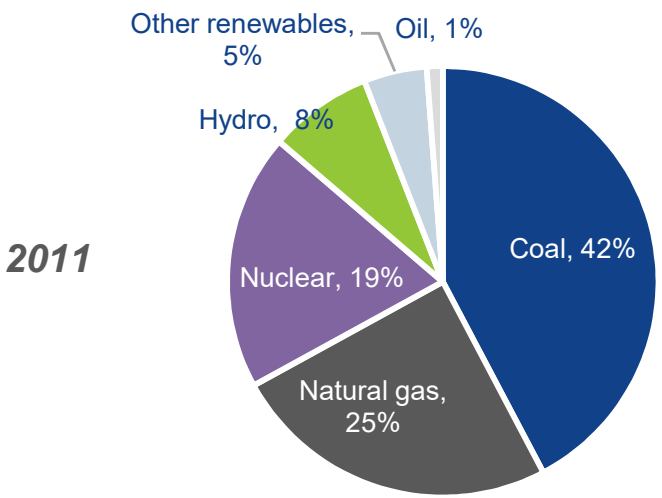
Customer benefit adjustments: Hawaiian Electric 2017 and Maui Electric 2018 rate cases

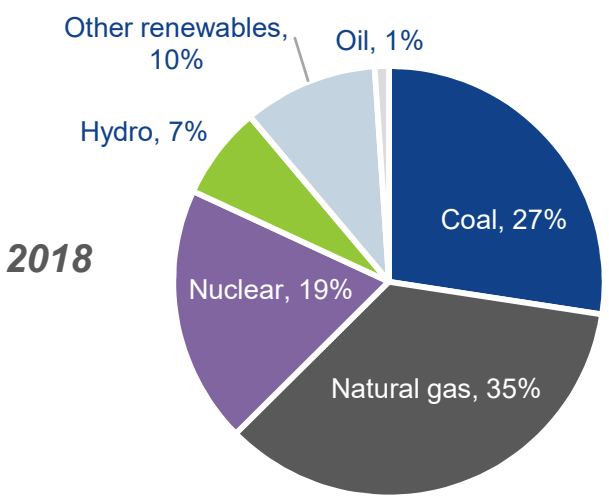
($ in millions)

	Hawaiian Electric Pension Adjustment		Hawaiian Electric Plant Adds Adjustment		Maui Electric Pension Adjustment		Total		
	Rev Req	Net Income	Rev Req	Net Income	Rev Req	Net Income	Rev Req	Net Income	Bps (ROE)
2018	$5,250	$3,552	$4,375	$2,960	$188	$127	$9,813	$6,638	35
2019	$6,000	$4,059	$5,000	$3,383	$450	$304	$11,450	$7,746	39
2020	$4,764	$3,223	$2,083	$1,409	$450	$304	$7,298	$4,937	24
2021	$3,882	$2,626			$378	$256	$4,260	$2,882	13
2022	$3,882	$2,626			$327	$221	$4,209	$2,847	13
2023	$1,617	$1,094			$327	$221	$1,944	$1,315	6
2024					$136	$92	$136	$92	-
Total	**$25,395**	**$17,180**	**$11,458**	**$7,752**	**$2,256**	**$1,526**	**$39,109**	**$26,459**	

Hawaii requires innovative solutions to meet its unique electricity needs

Low-cost natural gas has provided an increasing share of U.S. mainland generation[1]





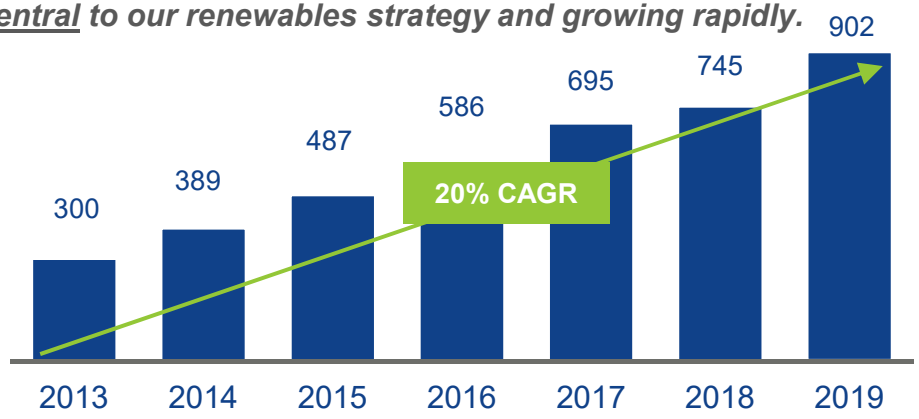
This low-cost generation source is <u>not available in Hawaii;</u> under state policy, <u>LNG is not an option</u>.

100% RPS is not possible with utility-scale projects alone due to limited land availability with competing priorities (e.g., agriculture, housing, etc.)…

~20%

amount of state that would have to be covered with utility-scale projects in order to power our islands with 100% renewable energy[2]

…which is why customer-sited distributed generation is <u>central</u> to our renewables strategy and growing rapidly.



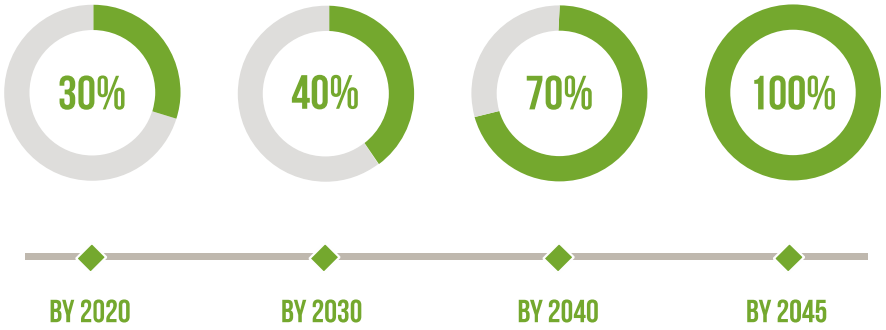
Cumulative PV installations in Hawaiian Electric service territories
(in megawatts, includes residential and commercial)

1 Source: EIA
2 Assumes consumption from non-renewable generation of ~250 Tbtu is replaced with 50/50 mix of utility-scale wind and solar.

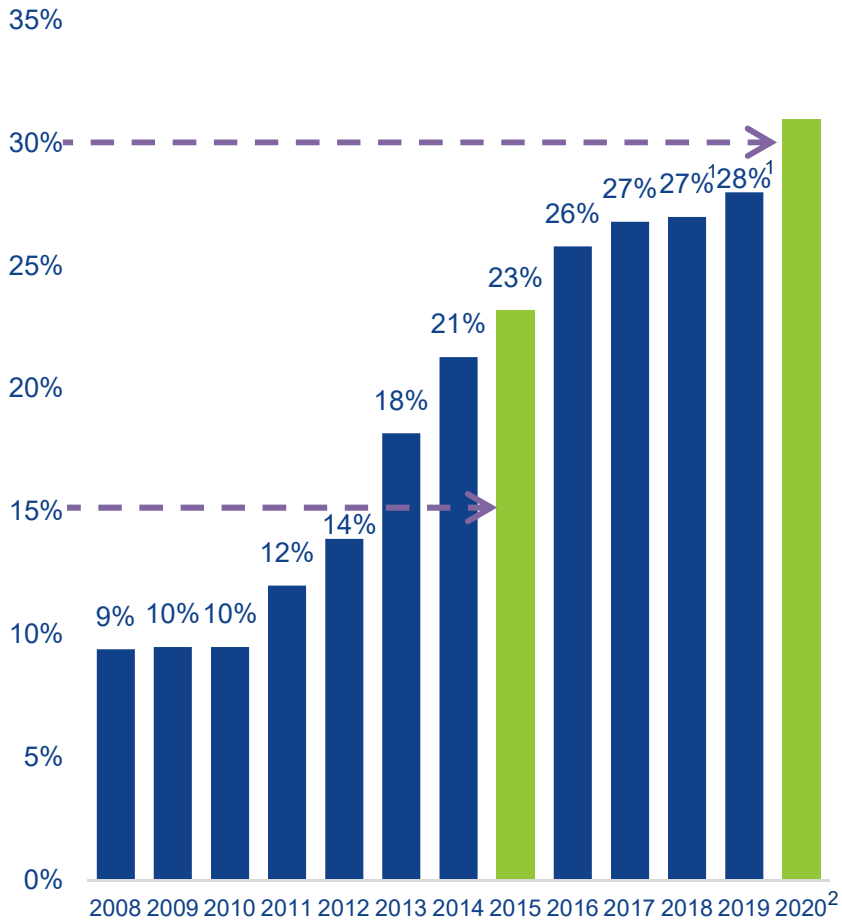
Committed to ambitious renewable energy goals

Strong progress and on track to exceed next milestone

Hawaii's 100% by 2045 RPS goal is among the most ambitious in the nation



On course to meet or exceed 2020 target of 30%



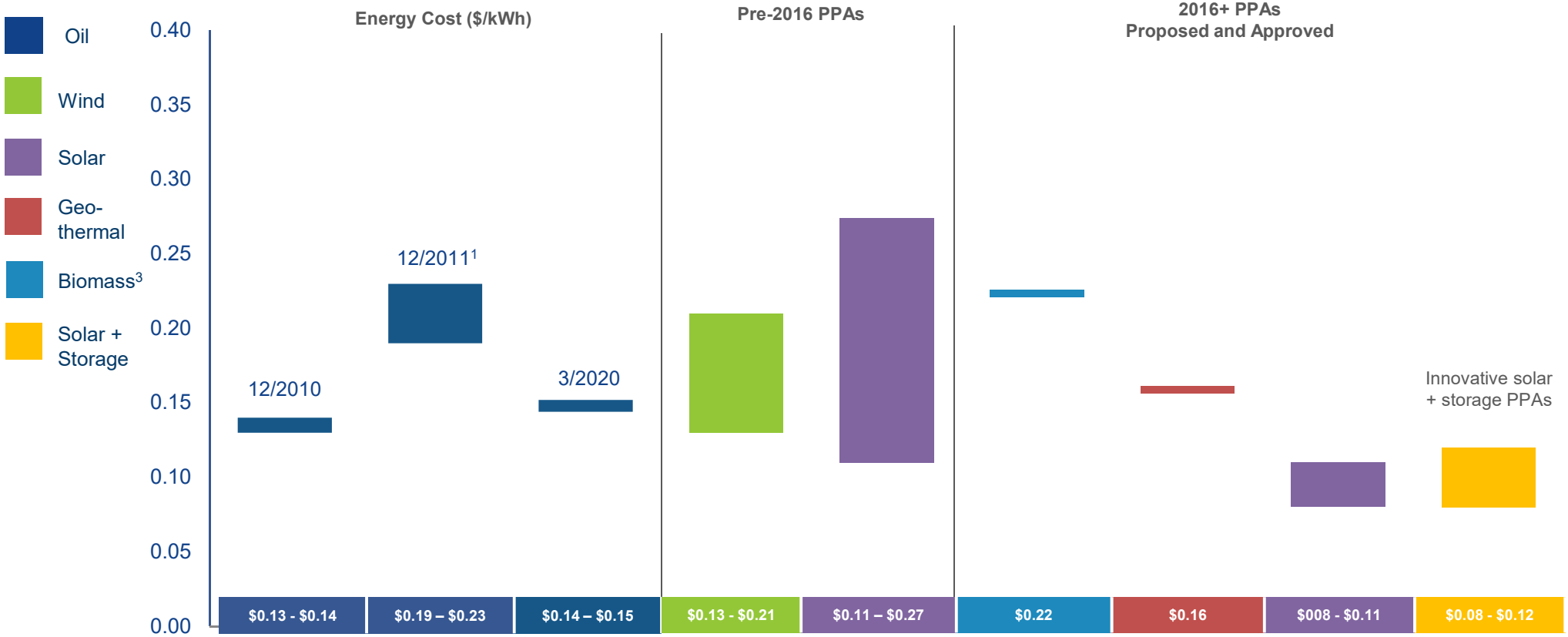
1 2018 and 2019 Renewable Portfolio Standard (RPS) achievement was impacted by the outage of Hawaii Island's geothermal resource, third-party owned Puna Geothermal Venture (PGV), beginning in May 2018 as a result of the Kilauea volcanic eruption. 2018 and 2019 RPS achievement would have been 29% and more than 31%, respectively, had PGV produced at the same level as 2017.

2 COVID-19 related sales declines in 2020 are expected to temporarily increase RPS above expected ~31% level, as RPS calculation = renewable generation / sales.

Renewable energy remains key to customer affordability, bill stability

UTILITY FOSSIL FUEL ENERGY COST
Subject to volatile oil prices

CONTRACTED RENEWABLE ENERGY COST
Significant reduction in cost of utility-scale renewables



Fuel cost ($/bbl)[2]	$85	$123	$81

1 The 2011 fuel oil increase was largely driven by the nuclear disaster of the Fukushima power plant in March 2011, which increased the price of oil in Hawaii as our fuel oil purchases are largely driven by the Asia Pacific market.
2 Represents average fuel oil costs per barrel for the full years 2010 and 2011, and for the first quarter of 2020.
3 On 7/9/20 the PUC denied a waiver from competitive bidding for the Hu Honua biomass project and denied without prejudice its amended PPA; at this time there is considerable uncertainty regarding the Hu Honua project's future.

Encouraging rooftop PV, customer-sited resources

Providing management and infrastructure to integrate, and programs to incentivize, DER

Nation's highest penetration of rooftop solar; 19% of residential customers

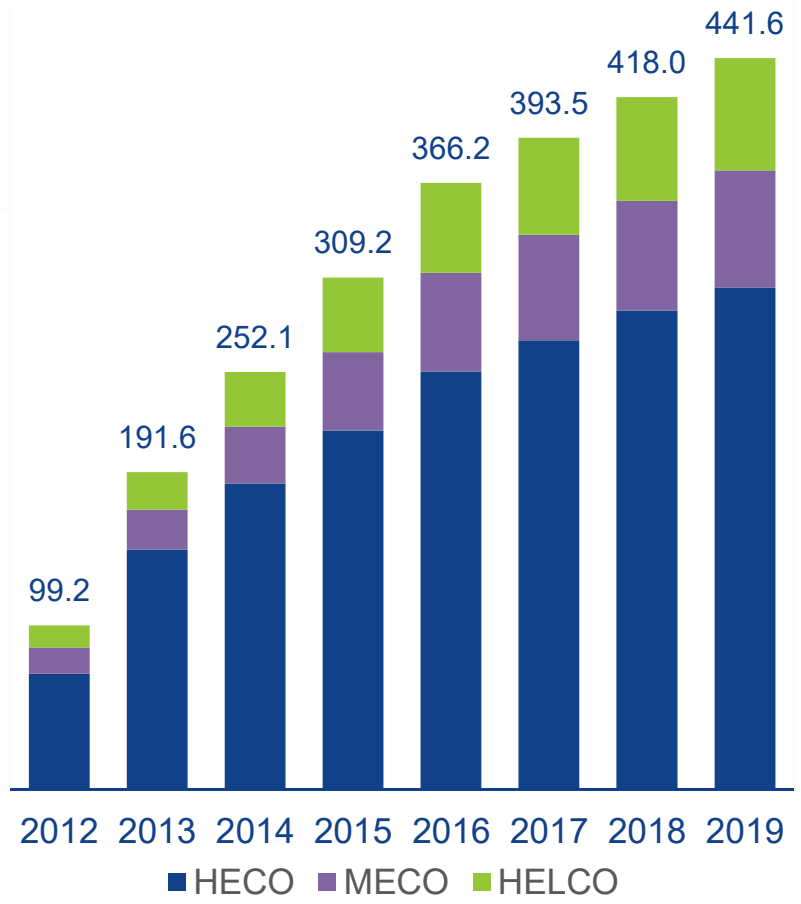
- Distributed energy resources (DER) are key element of our plan for achieving 100% RPS

National leader and innovator in integrating high levels of residential rooftop solar

- Managing grid to ensure reliability with high levels of variable, intermittent distributed sources
- Using innovative inverter technologies and smart meters to manage distributed resources
- Expertise routinely sought by other utilities

Under our DER programs, residential PV systems have grown an average of 24% annually since programs began in 2012

Cumulative residential PV installations
(in megawatts)



Status of key open dockets

Subject and description	Docket #	Latest development	Next milestone
Performance-based regulation Develop new regulations aimed at lowering electricity costs, improving customer service, expanding customer choices, and cost-effectively meeting state clean energy goals	2018-0088	Parties filed initial statements of position on 6/18/20	Reply statements of position due 8/20/20
Stage 2 RFP RFP sought up to ~900 MW of new renewables and over 500 GWh of storage, as well as grid services	2017-0352	PIMs established Oct. 2019; PIM clarification rcv'd May 2020; Renewables and Storage Final Award Group selections May 2020; Renewable and Storage and GSPA contract negotiation on-going	To qualify for full value of PIMs, GSPA contracts due 7/9/20, Renewable and Storage contracts due 9/15/20
Integrated Grid Planning (IGP) Next phase of long-range planning, combining planning and procurement of traditional and non-traditional resources	2018-0165	Stakeholder and community engagement substantially completed; Company filed update on work plan and schedule in May 2020	Grid needs assessment to begin in 2020
Grid Modernization Outlines plans to implement new technologies to increase utilization of DER while improving reliability and resiliency of the grid	2017-0226; 2018-0141; 2019-0327	Companies filed Semi-Annual Progress Report 6/30/20	Companies to file amended policy by 7/31/20
Electrification of Transportation Strategy for increasing adoption of electric vehicles and other electrification activities	2018-0135	Commission issued June 2020 letter directing Companies to file Pilot Program Framework	Companies to file Pilot Program Framework by 8/31/20
Enterprise Resource Planning Implementation of Utility's Enterprise Resource Planning/Enterprise Asset Management systems (ERP), including cost recovery and accounting treatment	2014-0170	PUC accepted proposed stipulated benefits performance metrics Oct. 2019	PUC has communicated "minimal need for 'proactive' measures going forward"
Hawaiian Electric rate case 2020 test year rate case for Oahu	2019-0085	Parties filed global settlement agreement 5/27/20, agreeing to no base rate increase. Management Audit concluded with issuance of final audit report filed 5/13/20	PUC order on settlement and remaining procedural steps pending
Hawaii Electric Light rate case 2019 test year rate case for Hawaii Island	2018-0368	Interim decision issued Nov. 2019. In Jan. 2020, Company filed supplemental evidence. Parties filed opening and reply briefs Feb. 2020	Proceeding is ready for decision making
COVID-19 Deferral Accounting Treatment Request to defer costs associated with COVID-19 pandemic	2020-0069	6/30/20 Commission order approved Companies' request to defer costs related to the COVID-19 pandemic through 12/31/20	Cost recovery request to be filed as separate docketed application

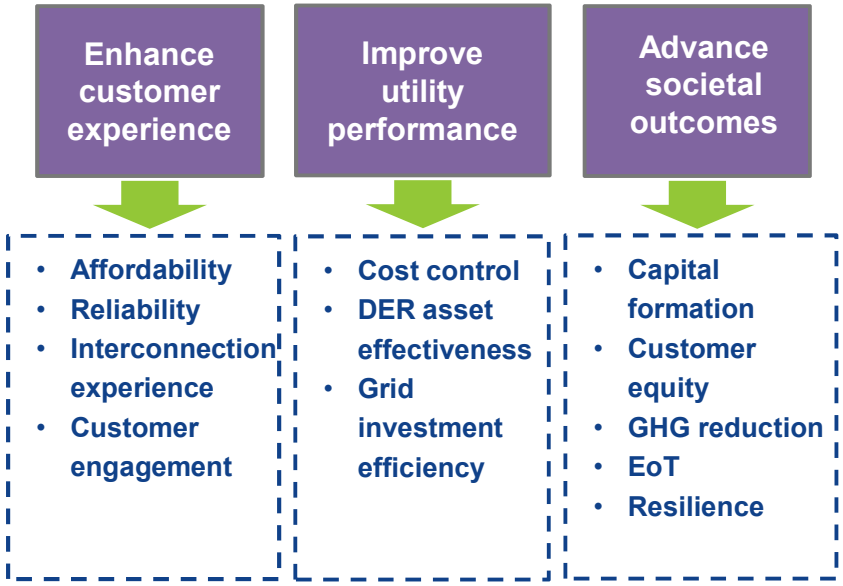
Phase 1 PBR D&O established conceptual framework

Conceptual framework established

Guiding principles

- **A customer-centric approach,** including immediate "day 1" savings
- **Administrative efficiency** to reduce regulatory burdens to the utility and stakeholders
- **Utility financial integrity** to maintain the utility's financial health, including access to low-cost capital

Goals and outcomes



Regulatory goals Priority outcomes

PBR structure

Revenue adjustment mechanisms

- ✓ **Maintain revenue decoupling and existing cost trackers**
- ✓ **5-year multi-year rate plan**
- ✓ **Annual formulaic revenue adjustment** (includes inflation and adjustments for productivity, unexpected costs outside utility's control, customer dividend)
- ✓ **Upside and downside earnings sharing mechanism**
- ✓ **Major Project Interim Recovery (MPIR)** maintained, but may be modified
- ✓ **Off-ramps** to provide for review of PBR mechanisms

Performance mechanisms

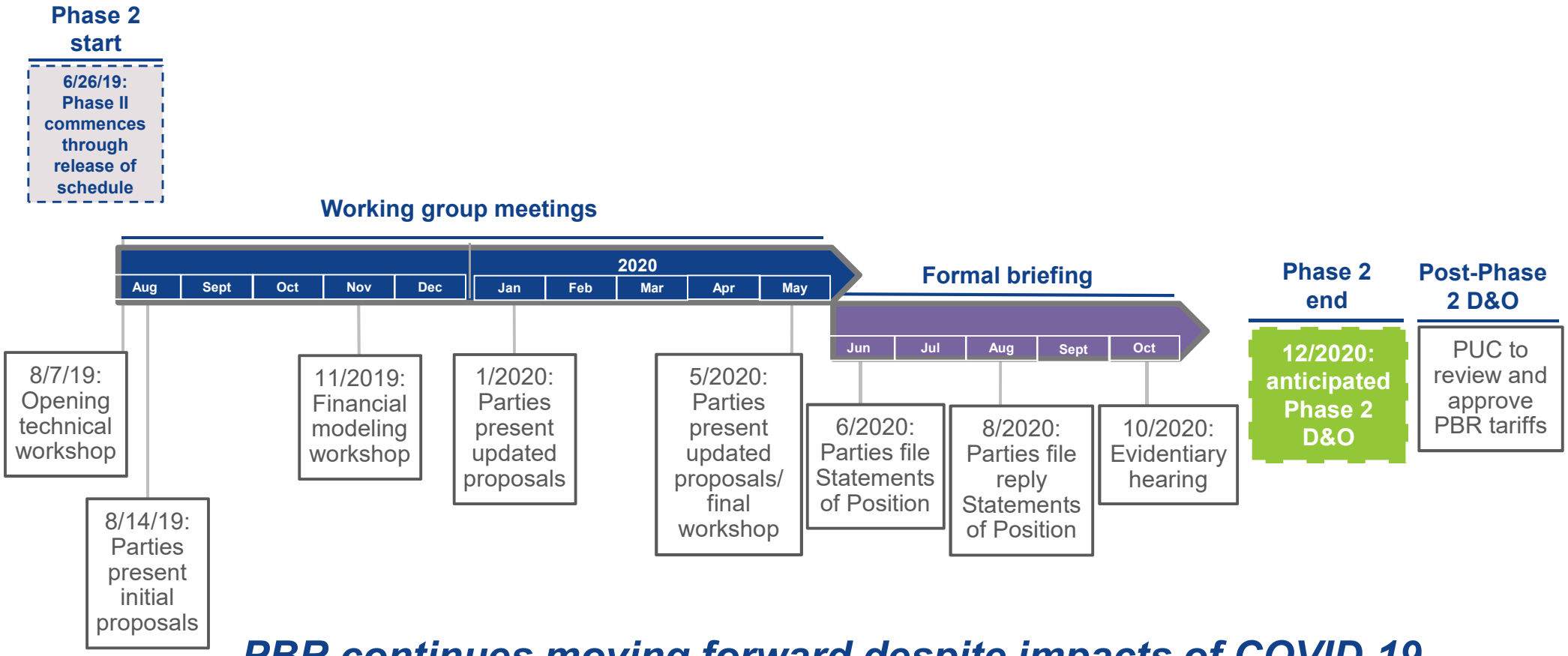
- ✓ **New Performance incentive mechanisms** to drive achievement on Interconnection Experience; Customer Engagement; and DER Asset Effectiveness
- ✓ **Shared savings mechanisms** to drive achievement on Grid Investment Efficiency and Cost Control, mitigation of capex bias, and cost effective solutions for customers
- ✓ **New scorecards and reporting metrics** to track progress/highlight performance across a variety of PBR outcomes

Regulatory evolution: Performance-based regulation (PBR)

Current mechanisms	*Potential changes under PBR*
3-year rate case cycle Multi-year rate plans with interim adjustments	***5-year rate plan***
Sales decoupling Provides predictable revenue stream by fixing net revenues at level approved in last rate case (revenues not linked to kWh sales)	***stays in place***
Revenue adjustment mechanism (RAM) Annually adjusts revenue to recover general "inflation" of operations and maintenance expenses and baseline plant additions between rate cases	***replaced with annual revenue adjustment***
Major Projects Interim Recovery adjustment mechanism (MPIR) Permits recovery of costs for major capital projects including but not restricted to projects to advance transformational efforts	***stays in place, with possible modifications***
Energy cost and purchased power recovery/adjustment clauses Allow recovery of fuel and purchased power costs. Symmetrical fossil fuel cost risk sharing (98% customer/2% utility) mechanism established for Hawaiian Electric and Maui Electric (decision pending for Hawaii Electric Light); utility upside/downside capped at $2.5 million for Hawaiian Electric and $0.6 million for Maui Electric	***stay in place***
Pension and post-employment benefit trackers Allow tracking of pension and post-employment benefit costs and contributions above or below the cost included in rates in a separate regulatory asset/liability account	***stay in place***
Renewable energy infrastructure program Available for recovery of renewable energy infrastructure projects through a surcharge	***stays in place***
Performance incentive mechanisms Performance incentive mechanisms for reliability, customer call center and renewable procurement	***additional PIMs***

PBR—Phase 2 continues collaborative approach

- Measured timeline shows PUC commitment to gradualism in implementing PBR
- Collaborative format focused on thoughtful process that minimizes risk of unintended consequences
- Annual revenue adjustment mechanism has potential to eliminate lag in current RAM
- New performance incentive mechanisms (PIMs) will supplement PIMs already in effect; PIMs will provide additional earnings opportunities



PBR continues moving forward despite impacts of COVID-19

Hawaiian Electric 2020 rate case status

Hawaii PUC docket no. 2019-0085

	Final D&O (2017 test year) (6/22/18) (eff. 9/1/18)	Application (2020 Test Year)[1] (8/21/19)
Amount requested	Commission approves Parties' Stipulated Settlement Agreements filed on November 15, 2017 and March 5, 2018	$77.6 million (4.1% increase over revenues at current effective rates)
Deprec. & amort. expenses	$123.5M	$137.1M
Return on average common equity	9.5% with mechanisms	10.5% with mechanisms
Common equity capitalization (%)	57.10%	57.15%
Return on rate base	7.57%	7.97%
Average rate base	$1,993M	$2,477M
GWh sales	6,660.2	6,474.5

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Recovery Clause (ECRC); Purchase Power Adjustment Clause (PPAC); Pension/OPEB Tracking Mechanisms; Renewable Energy Infrastructure Program ("REIP") Surcharge and the Major Project Interim Recovery ("MPIR") mechanism.

1 Company and Consumer Advocate filed global settlement agreement of all issues on May 27, 2020, which proposed no base rate increase in this rate case. PUC decision is pending. The Company agreed to this settlement in recognition of the severe economic impact of the Covid-19 pandemic on customers and the hardship a rate increase would cause. Other provisions of the settlement agreement include: RAM, MPIR, REIP and DSM surcharges revenues normally transferred to base rates in rate proceedings will continue to be recovered via those mechanisms; pension and OPEB tracking mechanisms will be reset and continue to operate; LSFO heat rate deadband in fuel clause widened to reduce risk of penalty; ERP/EAM savings considered incorporated as part of no increase in rates; 2017 rate case customer benefit revenue adjustments terminate; 90% cap on recovery of Schofield generating station will be removed.

Hawaii Electric Light 2019 rate case status

Hawaii PUC docket no. 2018-0368

	Application (2019 Test Year) (12/14/18)[1]	Interim D&O (11/13/19) (Eff. 1/1/20)[3, 4]
Amount requested	$13.4M (3.4% increase over revenues at current effective rates)[2]	$0M (0.0% increase over revenues at current effective rates)[2]
Deprec. & amort. expenses	$38.0M	$36.6M
Return on average common equity	10.50% with mechanisms	9.50% with mechanisms
Common equity capitalization (%)	56.91%	56.83%
Return on rate base	8.30%	7.52%
Average rate base	$536.9M	$534.4M
GWh sales	1,061.7	1,061.7

Rate case assumes existing Balancing Accounts, Trackers and/or Surcharges: Decoupling Revenue Balancing Account (RBA)/ Rate Adjustment Mechanism (RAM); Energy Cost Recovery Clause (ECRC); Purchase Power Adjustment Clause (PPAC); Pension/OPEB Tracking Mechanisms; and Renewable Energy Infrastructure Program ("REIP") Surcharge.

1 Includes Hu Honua in the 2019 test year.

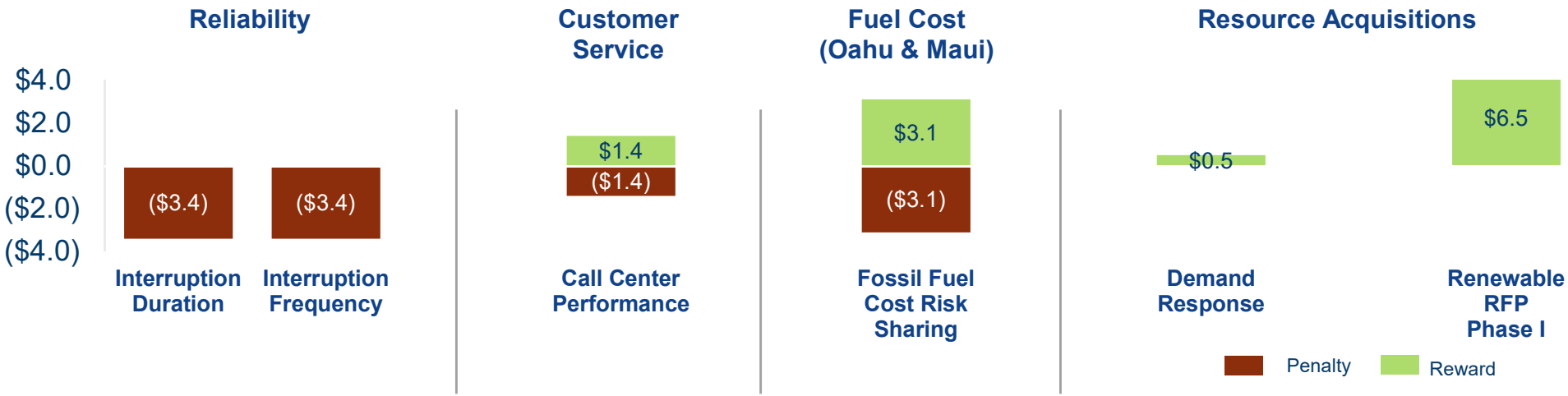
2 Revenues at current effective rates include revenues based on the final rates approved in Hawaii Electric Light's 2016 test year rate case, revenues from the ECRC, PPAC, RAM Revenue Adjustment (based on the 2019 RAM period), RBA Provision (that would flow into the RBA in the 2019 test year primarily due to increases or decreases in electric sales since the 2016 test year) and other operating revenues.

3 Excluding Hu Honua from the 2019 test year.

4 In the Stipulated Partial Settlement Agreement, the Parties settled on all issues in this proceeding, except for ROE, capital structure, amortization period of state ITC, and symmetric or asymmetric automatic annual target heat rate adjustment. In response to the ID&O, the Parties agreed that, in lieu of an evidentiary hearing, these remaining issues can be decided based on the evidence in the record. In January 2020, Hawaii Electric Light filed supplemental evidence in support of the Stipulated Partial Settlement and on the remaining disputed issues. The Parties filed their respective opening and reply briefs in February 2020. The proceeding is ready for decision making. There is no statutory deadline for the PUC to issue a final decision.

Performance Incentive Mechanisms (PIMs)

Current PIMs[1] *($ in millions)*



PIMS APPROVED BY PUC IN APRIL 2017 FOR ALL THREE COMPANIES[2]

- **Reliability**
  - System Average **Interruption Duration** Index, or "SAIDI"
  - System Average **Interruption Frequency** Index, or "SAIFI"
- **Customer Service Call Center Performance** (% calls answered within 30 seconds)
- Reward/penalty amounts graduated, subject to deadband
- Reward/penalty assessed and applied annually through RBA rate adjustment
- Reward/penalty amounts re-determined upon rate case interim or final orders

OTHER PIMS[3]

- **Demand Response**
  - The PUC supports and may consider PIMs to reward the Companies' successful acquisition of cost-effective DR resources in the future
- **The PUC will consider additional PIMs in Performance Based Regulation (PBR) docket**
- **Stage 1 Renewable RFP (capped at $6.5 million)**
  - For each PPA submitted for approval prior to 12/31/18, incentive is based on 80% customer/20% utility split of savings, compared to benchmark of 11.5 cents/kWh for renewable + storage and 9.5 cents/kWh for renewable energy only projects
  - Accrued first half of PIMs in 1Q19, second tranche to be accrued one year after projects placed in service
- **Stage 2 Renewable RFP (capped at $10 million)**
  - For renewable energy & renewable + storage PPAs: Same 80/20 split for PPAs submitted by 9/15/20, vs benchmarks of 9.0 cents/kWh for renewable + storage and 5.5 cents/kWh for renewable energy only.
  - For grid services and standalone storage: Same 80/20 split for standalone storage PPAs submitted by 9/15/20 and grid services contracts submitted by 5/9/20, compared to benchmarks TBD.

Note: slide reflects performance incentive mechanisms in effect for 2020.

1 Applies to all companies, except for fossil fuel cost risk sharing, which currently applies to Hawaiian Electric and Maui Electric only. A decision on fossil fuel cost risk sharing is pending in Hawaii Electric Light's 2019 rate case.

2 The Companies' request to use an adjusted IEEE Standard for normalizing events for the calculations of the targets, deadbands, and Measured Performance of the SAIDI and SAIFI PIMs is pending further review in Docket No. 2019-0110.

3 In addition to the PIMs described here, the PUC has established a Heat Rate incentive mechanism designed to incentivize efficient operation of units (and penalize inefficient operation of units). The PUC has also established RPS penalties of up to $20/MWh or about $2M for every 1% the company is short of the RPS requirement. The PUC has the discretion to waive any penalty for failure to achieve the RPS targets for events/circumstances outside the company's control.

Fossil fuel cost risk sharing

Approved for Hawaiian Electric and Maui Electric; included in Hawaii Electric Light 2019 test year settlement

- Hawaiian Electric: Final D&O in 2017 rate case established fossil fuel cost risk sharing mechanism as part of Energy Cost Recovery Clause
  - Symmetrical mechanism, with utility annual upside / downside capped at $2.5 million
  - Variations in fossil fuel price above or below baseline shared 98% customers / 2% utility
  - Applies to utility fossil fuel generation (not IPP generation or non-fossil fuels), includes fuel efficiency impacts
  - Effective Jan. 1, 2019
  - Baseline price for Hawaiian Electric: Jan. fuel prices for each fossil fuel type

Oahu January 2020 fuel price: LSFO: $75.48/bbl

- Maui Electric: Final D&O in 2018 rate case established fossil fuel cost risk sharing mechanism
  - Features similar to those at Hawaiian Electric
  - Utility annual upside / downside capped at $633k
  - Effective Sept. 1, 2019
  - Baseline price for Maui Electric: Jan. fuel prices for each fossil fuel type

Maui January 2020 fuel prices: IFO: $55.68/bbl Diesel: $89.36/bbl

- Hawaii Electric Light: To be determined in Commission's final decision in the Hawaii Electric Light 2019 test year rate case

Cautionary note regarding forward looking statements

This presentation made by Hawaiian Electric Industries, Inc. (HEI) and Hawaiian Electric Company, Inc. (Hawaiian Electric) and their subsidiaries contain "forward-looking statements," which include statements that are predictive in nature, depend upon or refer to future events or conditions and usually include words such as "will," "expects," "anticipates," "intends," "plans," "believes," "predicts," "estimates" or similar expressions. In addition, any statements concerning future financial performance, ongoing business strategies or prospects or possible future actions are also forward-looking statements. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and the accuracy of assumptions concerning HEI and its subsidiaries (collectively, the Company), the performance of the industries in which they do business and economic, political and market factors, among other things. These forward-looking statements are not guarantees of future performance and actual results and financial condition may differ materially from those indicated in the forward-looking statements.

Risks, uncertainties and other important factors that could cause actual results to differ materially from those described in forward-looking statements and from historical results include, but are not limited to, the following:

- international, national and local economic and political conditions—including the state of the Hawaii tourism, defense and construction industries; the strength or weakness of the Hawaii and continental U.S. real estate markets (including the fair value and/or the actual performance of collateral underlying loans held by ASB, which could result in higher loan loss provisions and write-offs); decisions concerning the extent of the presence of the federal government and military in Hawaii; the implications and potential impacts of future Federal government shutdowns, including the impact to our customers to pay their electric bills and/or bank loans and the impact on the state of Hawaii economy; the implications and potential impacts of U.S. and foreign capital and credit market conditions and federal, state and international responses to those conditions; the potential impacts of global and local developments (including global economic conditions and uncertainties, unrest, terrorist acts, wars, conflicts, political protests, deadly virus epidemic or other crisis); the effects of changes that have or may occur in U.S. policy, such as with respect to immigration and trade; and pandemics, such as the COVID-19 pandemic;
- the extent of the impact of the COVID-19 pandemic, including the duration, spread, severity, and any recurrence of the COVID-19 pandemic, the duration and scope of related government orders and restrictions, the impact on our employees, customers and suppliers, and the extent of the impact of the COVID-19 pandemic on the overall demand for the Company's goods and services;
- the effects of future actions or inaction of the U.S. government or related agencies, including those related to the U.S. debt ceiling or budget funding, monetary policy, trade policy and tariffs, and other policy and regulatory changes advanced or proposed by President Trump and his administration;
- weather, natural disasters (e.g., hurricanes, earthquakes, tsunamis, lightning strikes, lava flows and the increasing effects of climate change, such as more severe storms, flooding, droughts, heat waves, and rising sea levels) and wildfires, including their impact on the Company's and Utilities' operations and the economy;
- the timing, speed and extent of changes in interest rates and the shape of the yield curve;
- the ability of the Company and the Utilities to access the credit and capital markets (e.g., to obtain commercial paper and other short-term and long-term debt financing, including lines of credit, and, in the case of HEI, to issue common stock) under volatile and challenging market conditions, and the cost of such financings, if available;
- the risks inherent in changes in the value of the Company's pension and other retirement plan assets and ASB's securities available for sale, and the risks inherent in changes in the value of the Company's pension liabilities, including changes driven by interest rates;
- changes in laws, regulations (including tax regulations), market conditions, interest rates and other factors that result in changes in assumptions used to calculate retirement benefits costs and funding requirements;
- the impact of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) and of the rules and regulations that the Dodd-Frank Act requires to be promulgated, as amended by the Economic Growth, Regulatory Relief and Consumer Protection Act;
- increasing competition in the banking industry (e.g., increased price competition for deposits, or an outflow of deposits to alternative investments, which may have an adverse impact on ASB's cost of funds);
- the potential delay by the Public Utilities Commission of the State of Hawaii (PUC) in considering (and potential disapproval of actual or proposed) renewable energy proposals and related costs; reliance by the Utilities on outside parties such as the state, independent power producers (IPPs) and developers; and uncertainties surrounding technologies, solar power, wind power, biofuels, environmental assessments required to meet renewable portfolio standards (RPS) goals and the impacts of implementation of the renewable energy proposals on future costs of electricity;
- the ability of the Utilities to develop, implement and recover the costs of implementing the Utilities' action plans included in their updated Power Supply Improvement Plans, Demand Response Portfolio Plan, Distributed Generation Interconnection Plan, Grid Modernization Plans, and business model changes, which have been and are continuing to be developed and updated in response to the orders issued by the PUC, the PUC's April 2014 statement of its inclinations on the future of Hawaii's electric utilities and the vision, business strategies and regulatory policy changes required to align the Utilities' business model with customer interests and the state's public policy goals, and subsequent orders of the PUC;

Cautionary note regarding forward looking statements

- capacity and supply constraints or difficulties, especially if generating units (utility-owned or IPP-owned) fail or measures such as demand-side management, distributed generation (DG), combined heat and power or other firm capacity supply-side resources fall short of achieving their forecasted benefits or are otherwise insufficient to reduce or meet peak demand;
- fuel oil price changes, delivery of adequate fuel by suppliers and the continued availability to the electric utilities of their energy cost recovery clauses (ECRCs);
- the continued availability to the electric utilities or modifications of other cost recovery mechanisms, including the purchased power adjustment clauses (PPACs), rate adjustment mechanisms (RAMs) and pension and postretirement benefits other than pensions (OPEB) tracking mechanisms, and the continued decoupling of revenues from sales to mitigate the effects of declining kilowatt-hour sales;
- the ability of the Utilities to recover increasing costs and earn a reasonable return on capital investments not covered by RAMs;
- the ability of the Utilities to achieve performance incentive goals currently in place;
- the impact from the PUC's implementation of performance-based ratemaking for the Utilities pursuant to Act 005, Session Laws 2018, including the potential addition of new performance incentive mechanisms (PIMs), third-party proposals adopted by the PUC in its implementation of performance-based regulation (PBR), and the implications of not achieving performance incentive goals;
- the impact of fuel price levels and volatility on customer satisfaction and political and regulatory support for the Utilities;
- the risks associated with increasing reliance on renewable energy, including the availability and cost of non-fossil fuel supplies for renewable energy generation and the operational impacts of adding intermittent sources of renewable energy to the electric grid;
- the growing risk that energy production from renewable generating resources may be curtailed and the interconnection of additional resources will be constrained as more generating resources are added to the Utilities' electric systems and as customers reduce their energy usage;
- the ability of IPPs to deliver the firm capacity anticipated in their power purchase agreements (PPAs);
- the potential that, as IPP contracts near the end of their terms, there may be less economic incentive for the IPPs to make investments in their units to ensure the availability of their units;
- the ability of the Utilities to negotiate, periodically, favorable agreements for significant resources such as fuel supply contracts and collective bargaining agreements and avoid or mitigate labor disputes and work stoppages;
- new technological developments that could affect the operations and prospects of the Utilities and ASB or their competitors such as the commercial development of energy storage and microgrids and banking through alternative channels;
- cybersecurity risks and the potential for cyber incidents, including potential incidents at HEI, its third-party vendors, and its subsidiaries (including at ASB branches and electric utility plants) and incidents at data processing centers used, to the extent not prevented by intrusion detection and prevention systems, anti-virus software, firewalls and other general IT controls;
- failure to achieve cost savings consistent with the minimum $246 million in Enterprise Resource Planning/Enterprise Asset Management (ERP/EAM) project-related benefits (including $150 million in operation and maintenance (O&M) benefits) to be delivered to customers over its 12-year estimated useful life;
- federal, state, county and international governmental and regulatory actions, such as existing, new and changes in laws, rules and regulations applicable to HEI, the Utilities and ASB (including changes in taxation, increases in capital requirements, regulatory policy changes, environmental laws and regulations (including resulting compliance costs and risks of fines and penalties and/or liabilities), the regulation of greenhouse gas emissions, governmental fees and assessments (such as Federal Deposit Insurance Corporation assessments), and potential carbon "cap and trade" legislation that may fundamentally alter costs to produce electricity and accelerate the move to renewable generation);
- developments in laws, regulations and policies governing protections for historic, archaeological and cultural sites, and plant and animal species and habitats, as well as developments in the implementation and enforcement of such laws, regulations and policies;
- discovery of conditions that may be attributable to historical chemical releases, including any necessary investigation and remediation, and any associated enforcement, litigation or regulatory oversight;

Cautionary note regarding forward looking statements

- decisions by the PUC in rate cases and other proceedings (including the risks of delays in the timing of decisions, adverse changes in final decisions from interim decisions and the disallowance of project costs as a result of adverse regulatory audit reports or otherwise);
- decisions by the PUC and by other agencies and courts on land use, environmental and other permitting issues (such as required corrective actions, restrictions and penalties that may arise, such as with respect to environmental conditions or RPS);
- potential enforcement actions by the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board (FRB), the Federal Deposit Insurance Corporation (FDIC) and/or other governmental authorities (such as consent orders, required corrective actions, restrictions and penalties that may arise, for example, with respect to compliance deficiencies under existing or new banking and consumer protection laws and regulations or with respect to capital adequacy);
- the risks associated with the geographic concentration of HEI's businesses and ASB's loans, ASB's concentration in a single product type (i.e., first mortgages) and ASB's significant credit relationships (i.e., concentrations of large loans and/or credit lines with certain customers);
- changes in accounting principles applicable to HEI and its subsidiaries, including the adoption of new U.S. accounting standards, the potential discontinuance of regulatory accounting, the effects of potentially required consolidation of variable interest entities (VIEs), or required capital/finance lease or on-balance-sheet operating lease accounting for PPAs with IPPs;
- downgrades by securities rating agencies in their ratings of the securities of HEI and Hawaiian Electric and their impact on results of financing efforts;
- faster than expected loan prepayments that can cause an acceleration of the amortization of premiums on loans and investments and the impairment of mortgage-servicing assets of ASB;
- changes in ASB's loan portfolio credit profile and asset quality and/or mix, which may increase or decrease the required level of provision for credit losses, allowance for credit losses (ACL) and charge-offs;
- changes in ASB's deposit cost or mix which may have an adverse impact on ASB's cost of funds;
- unanticipated changes from the expected discontinuance of LIBOR and the transition to an alternative reference rate, which may include adverse impacts to the Company's cost of capital, loan portfolio and interest income on loans;
- the final outcome of tax positions taken by HEI and its subsidiaries;
- the risks of suffering losses and incurring liabilities that are uninsured (e.g., damages to the Utilities' transmission and distribution system and losses from business interruption) or underinsured (e.g., losses not covered as a result of insurance deductibles or other exclusions or exceeding policy limits);
- the ability of the Company's non-regulated subsidiary, Pacific Current, LLC (Pacific Current), to achieve its performance and growth objectives, which in turn could affect its ability to service its non-recourse debt;
- the Company's reliance on third parties and the risk of their non-performance;
- the impact of activism that could delay the construction, increase project costs or preclude the completion, of third-party or Utility projects that are required to meet electricity demand and RPS goals; and
- other risks or uncertainties described elsewhere in this report and in other reports (e.g., "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K) previously and subsequently filed by HEI and/or Hawaiian Electric with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date of the presentation or filing in which they are made. Except to the extent required by the federal securities laws, HEI, Hawaiian Electric, ASB, Pacific Current and their subsidiaries undertake no obligation to publicly update or revise any forward-looking statements, whether written or oral and whether as a result of new information, future events or otherwise.